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EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

THE PRINTING BUREAU

C. H. Parmelee.

No. 1—DECEMBER 7, 1910



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S, MOST
EXCELLENT MAJESTY

1910

MINUTES OF EVIDENCE

COMMITTEE ROOM NO. 32,

HOUSE OF COMMONS,

WEDNESDAY, December 7, 1910.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the Chairman, Mr. A. B. Warburton, presiding.

The committee proceeded to the consideration of certain payments in connection with the Printing Bureau as follows:—Canada Law Book Company, Ltd., \$2,387.61, page T—8; Barber, Ellis & Co., \$7,280.37, page T—6; Beauchemin Librairie, Ltd., \$7,656.16, page T—6; Boulanger & Marcotte, \$150.50, page T—6; M. G. Bristow, \$14,982.76, page T—7; L. P. Bouvier, \$27,629.70, page T—6, Report of the Auditor General for the fiscal year ending March 31, 1910.

Mr. CHARLES H. PARMELEE called, sworn and examined.

By Mr. Northrup:

Q. You are King's Printer, I believe, Mr. Parmelee?—A. I am.

Q. How long have you occupied that office?—A. Since February 1, 1909.

Q. Can you tell the Committee what the duties of the King's Printer are?—A. Well, the duties of the King's Printer are defined under the Act constituting the Department of Printing and Stationery. Briefly they are—the King's Printer of course is the deputy head of that department and he is in charge of and responsible for all the parliamentary and departmental printing, and the furnishing of the various departments with stationery and kindred articles that are required in the service.

Q. So that the King's Printer is the head of the whole Printing and Stationery Department?—A. The deputy head.

Q. Are there any subordinate branches in that department?—A. Yes, there are three; the Superintendent of Printing, the Superintendent of Stationery and the Accountant.

Q. Perhaps you will be good enough to tell us what the duties of those respective offices are generally?—A. The Superintendent of Printing of course has charge of the printing, binding, lithographing and all the work connected with the printing, parliamentary and departmental. The Superintendent of Stationery has charge of the Stationery Branch, and it is his duty to supply the departments, on requisition, paper and other articles which we buy for the departments; likewise he, of course, buys the paper which is used in printing departmental and other reports and all other printing. The duty of the Accountant, of course, is to keep the accounts and do the accounting for the department.

Q. Take for example the purchase of books, the first one named here from the Broadway Publishing Company, New York; in connection with book 'Mystic Spring,' how would that purchase come about, what would be the procedure in that case?—A. The purchase of that, ordinarily, would be made upon requisition of the department that intended to buy it and we get samples and the goods are obtained and sent to the department.

Q. So the department then acts as purchasing agent for all the departments, I understand?—A. For all the departments as regards stationery, books, ink, paper, pens, and all that class of supplies.

Q. Is there any check by the department on the requisitions sent in or do you fill every requisition sent in from every department?—A. Well, as a matter of practice we fill the requisitions; occasionally a requisition comes in which may be irregular and which cannot be filled under the order in council, and then, of course, the attention of the department is called to the fact that we are unable to fill the requisition. But we fill the requisitions when they are regular and when they come within the law and within the order in council respecting the Bureau.

Q. Is there any rule by which you are governed as to who can make requisitions?—A. Well, I think the requisitions, of course, are supposed to come from the deputy ministers, but as a matter of fact that authority is deputed, I have no doubt, by the various departments themselves to the man particularly in charge of the ordering of the goods.

Q. Then, the deputy minister is supposed to send in a requisition, but it has not been followed out in practice, I understand?—A. It is the rule I presume for the deputy minister to depute his authority to some officer in his department. As a matter of fact nearly all the departments have an officer whose duty it is to look after these things and keep track of the supplies and attend to the ordering of them. Of course there are some larger articles that require the signature of the deputy minister and when that is the case we get his signature.

Q. Is there any rule laid down by the department by which it is definitely ascertained who must sign these requisitions?—A. There is no rule, except the practice.

Q. And the practice is that you do accept these requisitions coming from the departments in that way?—A. From officers in the departments who we know, or at least who we suppose have the authority, because they are exercising it from day to day.

Q. Would you have anything on file in your department to show that authority has been given by the deputy minister?—A. I am not sure on that point, that is something I would have to ascertain.

Q. I would like you to find out whether that is the case?—A. Well, the Superintendent of Stationery is here and when you examine him he will be able to tell you.

Q. Who is the Superintendent of Stationery?

Hon. Mr. MURPHY.—There is no Superintendent of Stationery.

A. The Superintendent of Stores and Distribution, I think that is the title.

By Mr. Northrup:

Q. What is the position?—A. Superintendent of Stores and Distribution.

Q. You say he can tell me about that?—A. Yes.

Q. And that is as far as you can go as to how the requisitions are put in? Now, then, when requisitions come in to you from the various departments in that way for stationery or lithographing your department proceeds to fill them?—A. Yes.

Q. What would be the procedure in your department following the receipt of the requisition from the other department?—A. The ordinary procedure would be that if we had the article called for in stock we would fill the requisition; if we did not have the article in stock we would take measures to procure it to the best possible advantage.

Q. I suppose, judging from the Auditor General's Report, that sometimes requisitions come in for work which your department can do itself, and sometimes the requisitions are for work that has to be let out?—A. I do not quite catch the meaning of your question.

Q. I would infer from the Auditor General's Report that sometimes requisitions come in for work that the department can do itself?—A. You are speaking now of our department?

Q. Yes. But some of the work you have to let out?—A. That is the case; yes.

Q. How is it decided what work is to be done by your department and what work is to be let out?—A. Well, you were speaking of lithographic work, all half-tone work,

copper engraving, map making is done outside the Bureau from the fact that we have no plant to do work of that description; we have no engraving or lithographic plant.

Q. We will not pursue that any further then. But what about the printing branch?—A. There is nothing given out if we are in the position to do it ourselves. It is simply a matter of giving out what little overflow there is, but that is very small in amount; the actual printing I give out.

Q. And when you do give it out what is the procedure; do you call for tenders, or what?—A. Well, the procedure now is practically to get a price, not, perhaps, a form of tender, but there are a dozen large firms that are able to do this printing, and they are asked to give a price and the lowest tenderer gets it.

Q. That is if a department sent in a requisition for certain printing and you cannot do it yourself you send out notices to the firms you think are competent to do the work asking for prices and you give it to the lowest?—A. We give it to the lowest.

Q. How is it decided what firms are to be invited to give prices? Is there a list?—A. I have no list; I send out notices to those who have been in the habit of doing the work, and sometimes people apply to me and tell me they have the proper facilities to do the work and asking me to give them a chance; we give them a chance to put in a price because the object is to get the work done at the best figure we can.

Q. That is the practice now; how long has it been the practice?—A. Well, it has been the practice since I have been there.

Q. Then when a requisition comes in for printing that you cannot do, I understand you apply to the various firms you think are competent to do the work, you get their prices, and you give it to the lowest tenderer?—A. Yes, there is this exception, that there are some reports, that is parliamentary reports, small reports, that we occasionally give out at what we call 'Bureau rates,' that is, so much for composition, so much for press work, so much for stitching and the various processes, and those rates, I may say, are lower than the ordinary commercial rates that prevail—that is where the printing is of a nature that it can be estimated in that way without any confusion; of course many of these other jobs it would be very difficult to measure up by that standard, and in that case we ask for a lump tender.

Q. Do I understand that there are certain kinds of printing which you do in your department and which are charged up to the other departments at what you thing is a fair price and you occasionally send work out to other offices outside allowing them the same rates that you would charge for similar work done in the Bureau?—A. No, that is not quite it. It has no reference to the cost of what we actually do in the Bureau; it has reference to the cost of similar work outside, and these rates are based on those prices so as to make them as low, if not lower, than the ordinary commercial rates other people pay for that sort of work.

Q. But the question is how do you strike that base; who is the person who strikes it and how is it struck?—A. These rates were fixed by my predecessor, Dr. Dawson, some years ago when, as a matter of fact, the cost of printing was lower than it is to-day.

Q. And they have continued up to this day?—A. Up to this day, with one exception, that after I came into office I was convinced the price of composition, 50 cents per thousand ems, was too low; in fact, we had great difficulty in getting people to accept it, and I increased that rate to 60 cents.

Q. And it was 50 per cent before?—A. No, not 50 per cent; 50 cents per thousand ems.

Q. And you increased it from what?—A. From 50 cents to 60 cents per thousand ems.

Q. How many firms are there on this list to whom you apply?—A. I have no list.

Hon. Mr. MURPHY.—The witness did not say he had a list.

By Mr. Northrup:

Q. I do not wish to misrepresent what the witness said. I understand you to say that there are certain firms you know who are competent to do the work and you apply to them for prices?—A. Yes.

Q. I withdraw the word 'list' and ask how many firms are there who in your judgment are competent to do that work and to whom you apply for prices?—A. There are different classes of work, some of the work consists of small immigration pamphlets, and some of the small offices are able to do that work, but when it is something large the work of course is confined to the larger offices.

Q. So far so good. Perhaps now you can give us the names of some of the larger offices, for example?—A. Well, some of the larger offices with which we do business are firms like Copeland-Chatterson-Crain, Limited, the Mortimer people, the Ottawa 'Free Press,' the Montreal 'Herald,' the Briggs Publishing Company of Toronto, and offices of that character.

Q. The Montreal 'Star' or the Montreal 'Gazette'?—A. The Montreal 'Star' has no job office.

Q. Or the Montreal 'Gazette'? They have a job office?—A. Well, now, I have never sent anything to the 'Gazette.' I have never been asked to; that is they have never asked for any work, that is what I mean.

Q. You have told us how you get this work done. When the work is done by these outside offices what becomes of it? That is, how does it come to your department, by whom is it taken in, and by whom is it checked? What is the procedure with regard to checking over the fruits of these contracts?—A. Of course, when it is printing for the Department of the Interior, for instance for the Immigration Branch, that is our largest account for outside printing, it is shipped direct to the department, boxed as we direct, so that these boxes will not be too heavy because they have to be shipped to various parts of the world; then they are checked by the Immigration Branch, and we do not pay for the work until we get the certificate of that department that delivery of the goods has been made and that the work is satisfactory.

Q. That is if the work is for the Immigration Branch?—A. Yes, it concerns them more than it does us, they are the judges, they have to certify that the quantity has been delivered and that the work is satisfactory and up to the proper standard.

Q. That would be with respect to the Immigration Branch of the Department of the Interior—A. Yes, that certificate is given before we authorize payment of the account.

Q. Is this work delivered to your Bureau or to the department?—A. To the Immigration Department, the work is sent direct to that department.

Q. Speaking generally with respect to work other than that you have just spoken of, where is that delivered?—A. If it is a parliamentary report, for instance, it will be delivered to the Bureau, and it will be distributed from there according to the list for distribution to Members of Parliament and Ministers, etc.—we have a distribution list there provided for that purpose.

Q. Sometimes then, I understand, the work would be delivered direct to the department which requisitioned it?—A. Yes.

Q. And if your department happened to be the one charged with the distribution of it, would it be delivered to you?—A. Yes.

Q. And if it were delivered to your department who would be the official who would receive it?—A. In the case of a departmental annual report, it will be Mr. Rogers, who has charge of the departmental distribution.

Q. There is some official in your department that will check all the printing work that comes under the contract?—A. Well, in respect to the work itself if it is lithographing, what we call the lithographing room checks, measures it up, and sees that the work is done correctly—you are speaking now of quantity——

Q. I have not mentioned lithographing in this connection, but I am talking about printing, that is the term I used. When printing work is done at outside offices you

told me that sometimes it is sent to the department requiring it, and if the material is to be handled by your department it is sent to you?—A. Yes.

Q. I wanted to find out who checked these goods when they are delivered to see that the quantities are correct?—A. In the case of the parliamentary reports they are checked by Mr. Rogers who has charge of the distribution.

Q. Is there a checker for each class?—A. No, he is the chief of the distribution of parliamentary documents.

Q. But if they are not parliamentary documents?—A. Then it goes to the proper officer.

Q. Is there an officer in your department whose duty it is to check everything that comes into the department?—A. Yes, they are all checked, all that comes to us we have checked.

Q. I am merely talking of what comes to your department?—A. Yes.

Q. Everything that comes to your department is checked by some officer?—A. Is checked by some officer.

Q. Is there a regular staff so that the moment goods come in you know which official should check these goods?—A. Yes.

Q. With regard to the Stationery Department, and that sort of thing, how do you purchase that sort of goods?—A. All staple standard articles are purchased by tender and contract.

Q. All staple articles?—A. That is where there is sufficient quantity required to warrant tenders being asked for.

Q. What would you include under 'staple' articles, paper, typewriters, pencils?—A. Not the smaller articles like pencils, but practically all the paper used for the printing of parliament, and all the envelopes practically, that is the standard sizes in envelopes used by the various departments; and in the case of some departments even where they have special sizes but where they require them in quantities sufficient to warrant calling for tenders we call for tenders for them as well.

Q. I understand you to say, speaking generally, all the staple articles that were purchased by your department have been purchased by tender?—A. Yes.

Q. Who is the official in your department that looks after these purchases and lets the contract?—A. It was the superintendent of stationery.

Q. Who was he?—A. Mr. Gouldthrite.

Q. And he is dead? Was the purchase of these staple articles for the departments left entirely to Mr. Gouldthrite?—A. Well, perhaps it would be going too far to say that, but as a matter of fact he did to a large extent make the purchases himself, especially the smaller articles and things which were not purchased by tender. Of course all tenders are opened by myself and are awarded in the usual way to the lowest tenderer; not only that but naturally we discussed the policy of the department and how things should be conducted, but in the actual purchase of the smaller articles the superintendent of stationery purchased them himself.

Q. And so the rule generally was that the larger articles were purchased after tenders were asked for?—A. Yes.

Q. And the smaller articles were purchased by himself without tender?—A. Yes.

Q. And there was no check as to the small articles?—A. No check except that he was to exercise his own judgment and to buy in the best market and to the best advantage.

Q. There was no check, except his own judgment?—A. No.

Q. What would be included in the small articles which he bought in that way?—

A. Oh, well it would include pens, pencils, erasers and a host of articles of that kind.

Q. Little articles of general use?—A. And of course occasionally he would purchase special small lots of paper, where it was only a few reams or a few thousand envelopes.

Q. Was there any line drawn in your department by means of which Mr. Gouldthrite could tell what he could order of his own sweet will and what he must ask tenders for?—A. No.

Q. And it was left to himself to decide that?—A. Yes.

Q. In case he decided to ask for tenders what was the procedure? Could he himself do the whole thing?—A. Well, he called for tenders. Our tenders are called for on the basis of the consumption of the previous year. Supposing we use a million of a certain kind of envelopes, we get out tenders and specifications and call for tenders on the basis approximately of a million envelopes.

Q. Take for example certain of these items that we have before us to-day? Take the item found at page T—17 of the Auditor General's Report, Baker & Taylor Co., New York, 1,651.44. Would that be a case of an order given by himself or would the tenders be called for?—A. Well, perhaps it would be as well to explain that Baker & Taylor account. Baker & Taylor are large wholesale book sellers in New York. We have in the course of a year to supply the various departments with a great many technical publications covering a pretty wide range. We buy them from Baker & Taylor, of New York, first, because they carry quite a large stock themselves, and in the second place we do not have any way of reaching the publishers and getting the books that we require. These are ordered largely in single volumes.

Q. But your explanation does not touch the point I am making. Take the amount of Baker & Taylor's account, \$1,651.44. How would that purchase be made?—A. I presume that probably represents hundreds of items made up of individual requisitions, so many requisitions calling for just one particular publication.

Q. This is made up of hundreds of dollars. There are 'Annals of American Academy, Political and Social Science, \$97.50; Bullinger's Guides, 12 (Clo.), \$31.50, 20 (paper), \$45; dictionaries, 19, \$37.15; stands, dictionaries and reading, 3, \$11.35; directories, 2, \$15; Hayes' Handbook for Field Geology, \$60; Longe, Manual of Sulphuric Acid, 3 vol., \$26.25; Judicial and Statutory Definitions, 8 vol., \$43.20; 1 Proceedings Annual Meetings Society Prom. of Engrg. Education, 16 vol., \$32.' and so on?—A. Yes, technical and scientific works.

Q. How would such an order as that be filled by your department?—A. None of those were bought for stock. They were ordered on requisition and delivered immediately to the department making it.

Q. Can you get the requisition to show who ordered the books?—A. Those requisitions are in the hands of the Auditor General.

By Mr. Lennox:

Q. How are these tenders secured?—A. What do you mean, Mr. Lennox?

Q. I mean, do you advertise in the newspapers or send out circulars?—A. No. We send out an invitation to tender, embodying all the conditions of the tender and the specifications, as, in the case of paper, to its size and weight, its testing strength, and its colour, with a sample, and then at the bottom of the tender—where they make the tender—is really an acceptance of all the conditions.

Q. Do you mean to say that you have no list that shows to whom those notices should be sent, no record at all?—A. I have not, no, sir.

Q. You depend entirely upon your memory?—A. Not altogether upon my memory. We know the mills and the firms that are able to tender upon that class of work.

Q. You know the people?—A. Yes, from long experience in the department.

Q. You have no list?—A. I have no list.

Q. A moment or two ago you said, that people do not send in applications. Do you confine the sending out of notices to people who apply for work?—A. Not necessarily.

Q. You know what firms in the country are in a position to do the work and embrace all these in the notices you send out?—A. Well, no. In the case of tenders for paper, tenders for envelopes, and all that sort of thing we send to the mills and manufacturers that are in a position to bid or tender for these things.

Q. That is what you speak of as staples?—A. Those are staples, yes.

Q. You send them to people that you know are engaged in that line of business?
—A. Yes.

Q. And that would be a much larger list than in the case of casual things?—A. Yes, it is quite a large list. Of course a good many mills specialize. There are mills that confine themselves to printing papers largely. There are others that confine themselves to a certain class of writing paper; but from our experience we know who these people are and everybody is given a chance to tender.

Q. Can you furnish the committee with a statement as to the various classes of goods and a list of the people to whom you send out notice that tenders are required?
—A. Well, do you confine that to the stationery? I don't want to get the two things mixed. There are two distinct branches.

Q. Can you give this information for any branch or for all branches?—A. I could give it as to all, but for the purposes of this particular inquiry I think it would be sufficient to give a list dealing with the stationery end, it would lead to less confusion.

Q. Could you give that information now?—A. Not off-hand. I could give a large proportion but I could not give every one.

By Mr. Northrup:

Q. I was asking you, Mr. Parmelee, about Baker & Taylor, of New York. I understand from what you say that requisitions from the departments would be sent in to you for the scientific and other works such as are enumerated in the account?

—A. From each department, yes, sir.

Q. Then would you comply with this requisition and purchase the books?—A. Yes.

Q. In this case the account came to over \$1,600. Then, when the books would come would they be sent by you to the department which had applied for it?—A. Yes, to the department.

Q. What becomes of the requisitions that are sent in to you?—A. The requisitions and the original invoices in the regular course pass into the hands of the Auditor General.

Q. And do they remain there?—A. You will have to ask the Auditor General that question.

Q. At all events the requisitions and the invoices would go into the hands of the Auditor General?—A. Yes.

Q. I notice in going through this account of Baker & Taylor's that there are a variety of items and there seems to have been an extraordinary number of directories purchased. Can you give any explanation of it?—A. I have no information as to that. The requisition would give you that information.

Q. Now when the stationery that is ordered, we will say by contract, is delivered to your department, who is responsible for checking it to see that the amount delivered corresponds with the amount paid for?—A. Well, I do not know that I could give you the name of the exact officer. There are two or three who have charge of that duty. When the delivery is made and the goods are taken in they are checked in order to see that the quantity corresponds with that of the invoice.

Q. And then as to the quality of the goods?—A. In the case of papers and envelopes the quality is likewise tested, but that is not done, of course, by the same officer.

Q. Now, in the case of paper that is ordered, can you give me the name of the officer, or officers, who are responsible for seeing that that paper is received and that it corresponds with the paper paid for?—A. That has been in charge of Mr. Hughes, but he is sick now and away from the office; I do not know whether he will ever go back or not.

Q. Who would be responsible for the typewriters and the typewriting supplies to see that they corresponded with what was paid for and that the prices were fair and

reasonable?—A. Well, of course, these accounts are audited, too. I think Mr. Gay is perhaps the officer who audits matters of this kind.

Q. Mr. Gay?—A. Yes, Mr. Paul Gay. Of course, more accurate information on these details can be given by Mr. Patenaude who has been there for over twenty years.

Q. Then I do not need to waste time if such is the case. The officer you speak of can give me full information as to that?—A. Yes.

Q. Now at the end of the year you are accustomed to take stock and see what you have in hand?—A. It has been the custom for the Auditor General to take stock every year.

Q. You looked to him to see that stock was taken and each year he took stock?—A. Yes, at the end of the fiscal year.

Q. I see by the accounts that a large amount has been paid for lithographing. You have no lithographing plant at the Government Printing Bureau?—A. No lithographing plant at all.

Q. What is your opinion, as a practical man, as to the cheapest and best plan to adopt: to let the lithographing be done by outside firms or for the Printing Bureau to do it?—A. Well. I have not been able to form an opinion of my own, I have not gone into the subject sufficiently deeply to enable me to do so. There would be some advantages in doing this work ourselves and some disadvantages. One disadvantage would be that we would have no control over the way in which the work would come in; at certain times in the year we would have a big run of work and at other times we would have perhaps none at all. That would be one of the disadvantages.

Q. On the whole, what would be your opinion? Would it be better for the country to do this work itself, or continue to have the lithographing done as it is at present?—A. It is a thing that would have to be gone into very, very carefully and minutely and would take some time to reach a conclusion. But there is this to be said: that as long as we have no other accommodation in the present building a lithographing plant under our control is practically out of the question.

Q. Then you are not prepared at present to give an opinion on this point?—A. No.

Q. You told us a little while ago that you applied to the people that you thought would be suitable when you wanted a large contract filled. Can you give me any idea as to how such firms as Baker & Taylor, and others, of New York, got on your list?—A. In regard to Baker & Taylor, the arrangements had been in force for a great many years, and I do not know just the origin of it.

Q. There are a number of New York firms, for instance, Miller & Co., and a number of others. Could you give me any idea how these firms got on the list?—A. No, I cannot.

Q. You told us that the ones on your list were those from whom you were supposed to purchase particular articles?—A. You used the term list. We have no list, Mr. Northrup.

Q. Those to whom you apply, if you prefer the question worded that way?—A. Yes. It is desirable to have it correct.

Q. Have you any reason to think these New York firms were manufacturers producing the goods themselves, or were they merely?—A. Well, I have not very much knowledge of the matter. I am not familiar with these accounts, as to how they originated or anything about it.

Q. Then as to these purchases made in New York, you cannot give us any information how they came to be made?—A. No.

Q. Or of the responsible officials, what their abilities were and whether they were faithfully discharging the duties which involved upon them?—A. No.

Q. Then how would you deal with the matter, you being the head of the department and not knowing about these names although the parties have large contracts?—A. Well, I know it was done by the late superintendent.

Q. That is the late Mr. Gouldthrite?—A. Yes.

Q. Mr. Gouldthrite attended not merely to the small items but to large items also, did he not?—A. Well, they ran into a considerable amount, yes.

Q. They were not merely small items, they were large items also?—A. There were some large items.

Q. Was there no check at all on these large items?—A. There are no tenders asked for any of the lines we buy in the United States. There have never been any tenders asked for at all.

Q. Have any tenders been asked for in the case of goods purchased in the old country?—A. In England?

Q. There is a large amount paid for goods purchased in Europe, amounting to a good many thousand dollars last year. Were these goods tendered for?—A. No. I am under the impression they were not bought by tender at all, in fact I am sure of it.

Q. Since these goods were not bought by tender were they left to Mr. Gouldthrite to purchase?—A. Yes, Mr. Gouldthrite.

Q. Buying at his own sweet will? Was there any check at all by the department to make sure that this man bought only needed supplies, or was he free to buy whatever he thought fit?—A. Well, the only check I had was the confidence that from his long experience, and all that, he would buy as was needed and buy to the best possible advantage. I had confidence both as to his integrity and his ability to do that.

Q. That is no answer to the question. I want to know if there was any check on the purchases by this officer?—A. No, I did not put any check.

Q. There was no need as far as you knew? Was there any other officer in the department who was at liberty to do just as he saw fit without any check?—A. Well, I cannot say. Of course the Superintendent of Printing has certain powers which he exercised, under the control of the King's Printer.

Q. Has the Superintendent of Printing absolute power to spend thousands and hundreds of thousands of dollars without any check on him?—A. No. He has not.

Q. He has not that power? Well, has any other officer down there such power?—A. No.

Q. Is there any auditing of the accounts in your department year by year? You have an Accountant's Branch in connection with the Printing Bureau?—A. Well, the accounts are audited from month to month. They are audited for payment.

Q. Well, auditing really includes taking stock. What I want to get at, is there any officer of the Accountant's Branch, or any other branch of your department, who from time to time would look into the accounts and see if the expenditures were justifiable?—A. Yes, the Accountant's Branch has those figures.

Q. Then they are supposed to look into the stock?—A. Yes, to look into the figures of the transactions of the year—the credits, the debits, and the balances—and the accounts are all transmitted to the Auditor General in the regular way.

Q. You have told us there were no goods bought in New York or Europe by tender. Was there anybody in the department that looked after these goods that were coming in after having been bought in this easy way?—A. You mean to say was there any check and audit? Yes.

Q. The goods were checked as they came in?—A. Yes.

Q. Did anybody check them to see how the prices compared and what necessity there was for them?—A. Well, I am not sure on that point, Mr. Northrup.

Q. If there was any official responsible for such duties I would like to know his name?—A. Except that we had a perfect check upon the goods received and saw that we got what we ordered and that it corresponded with the invoice; but as to the matter of price I could not say.

Q. And that was the only supervision you gave, was it?—A. Yes.

Q. Now, the point I want to get at—it strikes me as peculiar, one official buying thousands and thousands of dollars worth of goods from the states and Europe and

his superiors knew he was buying whatever he thought fit and there was no one over him, no supervision by any superior over the quantities he bought, or the reason why he bought them?—A. Well, he bought those things as we were supposed to need them to supply the various departments.

Q. Did he only buy, as you needed them?—A. Substantially he did, but in a few cases he overstocked.

Q. Substantially he did, but in a few cases he overstocked—only a few?—A. Not a great many.

Q. What lines would you say he overstocked?—A. He overstocked in type-writing ribbons, carbon papers, lead-pencils, knives and things of that kind; possibly inks, but I am not sure about the inks.

Q. How about envelopes?—A. There was no overstocking in envelopes.

Q. Or paper? A. No overstocking in paper, unless you could call a two-years' supply of safety paper overstocking. That is about all, I think, of overstocking in paper.

Q. Two years' supply of safety paper; then it does appear he did overstock. Had you any reason to think that too high prices were paid for any of these goods?—A. Well, I believe that in some of the American purchases the prices were too high.

Q. When did you first come to that conclusion?—A. When the matter was investigated this last summer.

Q. Until the time of the investigation you did not notice that the American prices were too high?—A. No.

Q. Was there any official in your department who should have known that too high prices were being paid?—A. I do not know whether any official did or did not.

Q. Is there any one who should have been responsible for that?—A. I cannot tell you that, Mr. Northrup. I do not know what information they had. Of course if any official knew it should have been his duty to tell me.

Q. It is a question of responsibility and duty. Is there any official in your department either responsible for that or for seeing that the goods were not purchased at too high prices, that if he did his duty this could not be done?—A. I suppose there was the King's Printer. I was the man who was over him. I do not know anybody under him unless they actually knew the fact, and if they knew the fact they should have reported to me. But whether they did or not I do not know.

Q. But you saw the trunks coming in and yet you never thought it extraordinary that these large items were coming as supplies?—A. The only account I had discussed with Gouldthrite was the G. W. Miller account. I asked him why we were not getting some of the paper in Canada. I knew some of the other accounts and knew we would have to buy out of the country such things as scientific instruments, pencils, rubber goods and things we could not buy in this country. But I am now speaking of the Miller account. It is a paper account. His answer to me was this: 'I am obliged to buy the safety check paper from them because since the Martineau defalcations the government has directed that safety check paper be used and I have to purchase that there.' Well, then, we make about 20,000 envelopes a day, that is stamped envelopes one and two. We have a machine which makes the envelope and puts on the stamp. He bought that paper from the Miller people and he said to me he had been for years trying to get a paper that would suit the post office department and that paper suited them and he did not want to change. He gave some other explanations which led me to believe it could not be helped, that it was in the best interests of the department that he should buy his goods there.

Q. Your attention was called?—A. No, I called his attention.

Q. You noticed that an undue amount of goods was being bought in the States and you spoke to Gouldthrite and he explained it and you were satisfied?—A. Yes.

Q. Did you inquire whether these firms were legitimately in the business?—A. No.

Q. You did not know whether they were or not?—A. I took it for granted they were.

Q. You have since found that some were not?—A. Some were not.

Q. Purely middle-men, nothing more?—A. Yes.

Q. When did you find that, during the investigation?—A. Last spring.

Q. I suppose those purchases that you mention, goods being bought in the states, too high prices and overstocking with supplies, the accounts we will find I suppose in the accounts before us? Would you say that was the first year anything of the kind had occurred?—A. No, it went on, I believe, for over three years.

Q. You had confidence in Mr. Gouldthrite, you say; when he gave you those statements did you test what he said or did you accept what he said?—A. I accepted what he said.

Q. You told us the Auditor General took stock in your department each year. Was that the only stock staking in the department? Did not any one else take stock?—A. No, we have never taken stock ourselves.

Q. When did you first, as head of the department, know that you were overstocked in many lines?—A. When the investigation began.

Q. I have a small slip here of items taken from a newspaper professing to give a statement of how much overstocking there was. I find here waste-paper baskets, the annual average used was 164; stock on hand 1,751. Do you remember anything about that?—A. I do not know. It is all in the report.

Q. Which we have not seen, unfortunately. Then I find cork-screws. Do you know anything about these items?—A. No.

Q. Would any one be able to tell us?—A. The Superintendent of stores and distribution.

Q. What is his name?—A. Patenaude.

By Mr. Barker:

Q. At page T—17 I find the item Baker & Taylor Co., New York, of which Mr. Northrup has been speaking, one Annals of American Academy Political and Social Science, \$97.50. What does that 'one' mean?—A. I suppose it means one set. I never saw the work.

Q. It is an annual publication?—A. I do not know anything about it.

Q. That \$97.50, if it means going back, means buying for twenty years?—A. Well, the requisition and the account both of which are in the hands of the Auditor General will show the details.

Q. Who would have bought that?—A. I cannot say. It was probably ordered by some department.

Mr. MACDONALD.—Get the account and you will find out.

By Mr. Barker:

Q. You do not know exactly what that means then?—A. I do not know without seeing the original document.

Q. Who in your department would be able to tell us about that?—A. Mr. Patenaude or Mr. Fraser, who has the original invoice and the requisition.

Q. We expect to get information from every witness that knows anything about it. I do not suppose you know every detail, but I ask you as far as you know to tell me what is the \$97.50 charged for a journal published in Philadelphia. I subscribe to it myself, \$5 a year. That item either means buying for twenty-five years in one set or you have had some twenty different copies. You do not know, do you?—A. The requisition will tell you that.

Q. Mr. Patenaude?—A. Possibly Mr. Patenaude.

Mr. MURPHY.—It is possibly a set from some library.

WITNESS.—Without seeing the requisition it is impossible to know.

By Mr. Northrup:

Q. I notice among those items asked for to-day is the 'Mystic Spring,' published by the Broadway Publishing Company. Can you give us any idea of that?—A. No, it was not included in my subpoena and I did not inform myself about it.

Q. I suppose the requisition for that should be in the hands of the Auditor General?—A. Certainly.

Q. I noticed too a great many payments for publications, newspapers and magazines, reviews, subscriptions of that kind. What is the principal on which these are bought?—A. These are bought on requisition. That is, the department signs a requisition asking for such publications. We buy for all departments. They do not subscribe directly.

Q. We can see those requisitions too, I suppose?—A. Yes.

By Mr. Congdon:

Q. Mr. Gouldthrite was Superintendent when you became King's Printer, was he not?—A. Superintendent of Stationery.

Q. He had been in that office how long?—A. He had been in that office some thirty odd years. He had been Superintendent of Stationery for eight or nine years.

Q. About thirty odd years?—A. Thirty odd years altogether.

Q. Do you know in what capacity he first went into the office?—A. I think he first went in as message boy. He was only 15 or 16 years of age when he entered the Service.

Q. And continued?—A. Continued until 1901, he became Superintendent of Stationery.

Q. Going through different courses of promotion?—A. Yes.

Q. Do you know the attitude of Dr. Dawson towards Mr. Gouldthrite?—A. I know he had the utmost confidence in him because when I assumed office Dr. Dawson took pains to tell me that Mr. Gouldthrite thoroughly knew his business, was an absolutely trustworthy officer, and that I could absolutely rely upon him for good and honest service.

Q. What sort of man, so far as appearance and the discharge of his duties was concerned, was Mr. Gouldthrite?—A. Mr. Gouldthrite, so far as the discharge of the duties of his office was concerned apart from delinquencies was an ideal officer, a man who would work night and day to serve the different departments, was exceedingly popular with all the departments for that reason. I do not know that there was a more popular and trusted officer in the whole public service than Mr. Gouldthrite until this particular thing happened.

Q. And when you became King's Printer you shared that confidence?—A. I did.

Q. When had you first occasion to suspect Mr. Gouldthrite?—A. The first time I thought things were wrong was when I went to New York with Mr. Murphy and Mr. Mulvey, and visited the offices with which he had been doing business.

Q. Until then you had perfect confidence in him?—A. Perfect confidence that he was honest and of honest judgment.

By Mr. Lennox:

Q. What was it that you found in New York that made you suspicious?—A. Well, it was the general air of those concerns; some of those people we found were merely middle-men and did not actually handle the goods we were buying from them like the Miller people, they were dealers in coarse papers instead of the line of goods he had been purchasing from them. They were not the class of people we would have expected he would buy from.

Q. You found they were not the kind of people you would expect him to deal with?—A. No.

Q. They were dealing in all kinds of business in many cases?—A. Well, of the whole list I cannot tell just how many, probably half a dozen.

Q. Did you find any case that the men corresponded with the class of business you would expect from the orders given them?—A. To some extent they did. In some cases they did not seem the highest class of men.

Q. Who were the men particularly that came up to the standard which you expected?—A. I think we were in Hitchcock's and we found that an exceedingly fine place.

Mr. MURPHY.—J. F. Hitchcock.

By Mr. Lennox:

Q. That was the best you struck?—A. That was really a fine firm. Then there was Kimpton, Hartbottle & Hautt, they appeared to be a very good firm who were dealing in the lines we purchased.

Q. They were as good as you would have expected?—A. They were dealing in the lines of goods we purchased from them.

Q. These two firms measured up to the idea pretty well?—A. Yes.

By Mr. Murphy:

Q. Mr. Northrup asked you regarding the manner in which requisitions were signed and sent to your department from the other departments, and you were unable from memory to say just what the procedure is. I direct your attention to section 26 of the Act leading to Public Printing and Stationery, and after reading it to you I will ask you a question.

(reads) 'The Superintendent of Stationery shall supply any articles of stationery to any department of the government according to such regulations as are approved by the Governor in Council, upon requisition therefor signed by the deputy head of such department; and to either House of Parliament, according to regulations approved by such House, upon requisition therefor signed by the Clerk of such House of Parliament.'

Then there is a subsection, which is not material for the purpose of the question. Is it not a fact that requisitions are sent to you under that section?—A. I think there are some exceptions, but I am not absolutely sure.

Q. But such requisitions as you are familiar with?—A. Yes, I have seen requisitions from deputy ministers.

Q. In accordance with that section and the orders in council passed under that section. You are aware there are orders in council?—A. Yes.

Q. So it was not left to the late Superintendent to decide what each would buy, but the classes of goods were regulated under that section?—A. Yes, under that section.

Q. And by orders in council passed thereunder; and it has been found, has it not, to your knowledge, that the late Superintendent exceeded his authority in a great many cases?—A. He did.

Q. Now, your attention was drawn by Mr. Northrup or by one of the other members of the committee to goods that were bought in the old country, and, as I recollect your answer, you said these goods were not bought by tender. Upon reference to the Auditor General's report I find that a large part of the goods bought in the old country were goods bought for the use of the two Houses of Parliament. Is not that correct?—A. Yes, that is correct.

Q. And a comparatively small quantity was bought for the general use of the departments?—A. Yes.

Q. Can you say how these goods were ordered for the two Houses of Parliament?—A. No, I cannot.

Q. That is a matter also within the knowledge of the Superintendent of Stationery while he was there and since then it is within the knowledge of the superintendent of stores and distribution?—A. Yes.

By Mr. Northrup:

Q. Are you sure you were listening to what the minister said when you answered the question he put to you? He said that you knew the greater part of these stores were bought for the use of parliament and you promptly said 'Yes.' Do you know anything about it?—A. He was speaking about purchases in England.

Q. Do you know anything about it, or did you say 'Yes' because the minister said so?—A. No, I know that with regard to these goods quite a large quantity were bought for the Senate and the House of Commons during the year.

Q. Take the biggest item there, William Dawson & Sons, Limited, London, for 'Admiralty charts, Boileau's Traverse Tables, Burk's Peerage,' were those articles for the Houses of Parliament?—A. That is the same class as the Baker & Taylor—account, those publications we have purchased on requisition.

Q. Yes, but they were not bought for parliament?—A. Some of them were I think; the requisition will show what department they were for.

Q. As a matter of fact you would not say that books such as these were bought for parliament, would you?—A. I cannot tell without seeing the requisition in each case, that will speak for itself.

Mr. CARVELL.—Take the next item, 'Joseph Elliot & Sons.'

By Mr. Northrup:

Q. Very well. Would you say that 24 dozen, 12 dozen, 6 dozen, 12 dozen, 12 dozen, 12 dozen 12 dozen, 12 dozen, amounting to \$1,049 for pocket knives and scissors—would you say these were bought for parliament?—A. Not altogether, but partly.

Q. Since my learned friend has called attention to that item I see that there are 92 dozen pocket knives purchased; you would not say those were bought for parliament?—A. Not all of them, no.

Q. At all events there are a great many articles purchased in the old country that were not bought for parliament?—A. Certainly, some of them were not.

Q. Supposing they were all bought for parliament would that justify the King's Printer buying them without tender? Do you think it is right to buy without tender because they are for parliament?—A. There is a class of goods which it would be very hard to buy by tender.

Q. Is it hard to buy pocket knives and paper and envelopes by tender?—A. No, it is not hard to buy envelopes and paper by tender.

By Mr. Lennox:

Q. Do you think you did not go too far in answering Mr. Murphy in reply to questions in view of the statute just read to you? For instance, had you any recollection of the provisions of the statute until he read it to you?—A. What provision of the statute do you refer to?

Q. The provision that the minister has just read to you.

Hon. Mr. MURPHY.—Section 26.

A. Oh, about the requisitions.

By Mr. Lennox:

Q. Yes?—A. Yes, I have some recollection of it.

Q. That section provides that regulations should be made; have you a copy of those regulations?—A. I haven't it with me. I have at the Bureau copies of all orders in council.

Q. You have a copy of the orders in council?—A. I have a great many; I could not say whether I have that one.

Q. I mean an order in council regulating the manner in which these requisitions should be sent in. Did you ever see a copy of that regulation?—A. I think so.

Q. Do you say that you have seen it?—A. I am not absolutely sure; I have a book in which I have pasted all the orders in council relating to the department.

Q. Now that I have called your attention to it do you say that the section of the statute read to you by the Honourable the Secretary of State and the regulations, and the orders in council were complied with, or do you know?—A. I do not know.

Q. I though not?—A. That is not to my personal knowledge.

By Hon. Mr. Murphy:

Q. I want to direct your attention again, Mr. Parmelee, to an item in the Auditor General's Report that escaped my attention: I am informed that really the largest item among the purchases in the old country is that of John Walker & Co., London, \$4,557.55. I wish to direct you attention to some of the items in that account: 'Blotting cases, letterette tablets, &c.' Have you any personal knowledge of these purchases?—A. No, only I do know that supplies of that kind for the House of Commons and the Senate have been purchased for many years from that firm.

Q. Do you know the method by which those goods are purchased?—A. Well, they are purchased on the requisitions coming down from the House of Commons and the Senate.

Q. Do you know whether the agents of these people come here and solicit orders around this parliament?—A. I do, that is to my personal knowledge.

Q. Would you say the same about goods ordered from Cowan & Sons of Edinburgh?—A. No, I have not the same knowledge about that.

Q. But you do know that is the way in which these orders are given, and these requisitions founded on that are sent down to the Bureau from parliament?—A. Yes, and we fill them.

By Mr. Northrup:

Q. You say that the requisitions come from parliament?

Hon. Mr. MURPHY.—No, from the House of Commons and the Senate.

By Mr. Northrup:

Q. Who sends the requisitions from the House of Commons and the Senate?—A. I think the requisition from the House of Commons comes from Mr. Clarke and it is, I think, endorsed or O.K.-ed by the clerk, but I am not sure of it, and then on the Senate side Mr. Young is the stationery man.

Q. And you are now pledging your oath that all these items to which your attention is called by the Minister were ordered by requisition from the House of Commons and the Senate?—A. No, I cannot do that because I have not seen the whole account.

Q. You have no knowledge?—A. The bulk of them was, but I cannot say as to all of them until I look up the requisition.

Q. You haven't any idea how much of this account is really for supplies purchased for parliament?—A. Yes, I have an idea that it runs into quite a large amount of money.

Q. How much would you say of this item was ordered for parliament?—A. I cannot say, but I know it is a very large proportion.

Q. But you cannot give any idea beyond that?—A. I do not say that all of these goods were for parliament.

Witness retired.

The inquiry was adjourned until Wednesday, December 14.



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EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

THE PRINTING BUREAU

St. John's

No. 2—JANUARY 17, 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S, MOST
EXCELLENT MAJESTY

1910

MINUTES OF EVIDENCE

COMMITTEE ROOM No. 32,

HOUSE OF COMMONS,

OTTAWA, Tuesday, January 17, 1911.

The Select Standing Committee on Public Accounts met at eleven o'clock, a.m., the Chairman, Mr. A. R. Warburton, presiding.

The committee resumed the consideration of certain payments made to the Canada Law Book Company Limited, T—8, Barber, Ellis & Co., T—6, Beauchemin Librarie Limited T—6, Boulanger & Marcotte T—6, M. G. Bristow T—7, L. P. Bouvier T—6, Auditor General's Report, 31st March, 1910.

Mr. J. O. PATENAUDE called, sworn and examined.

By Mr. Northrup:

Q. You are on the staff of the Printing Bureau, I believe?—A. Yes.

Q. How long have you been there?—A. Twenty-three years.

Q. What is the position you occupy at the present time?—A. Superintendent of the Stores and Distribution.

Q. How long have you occupied that position?—A. Since the 1st of November, last year.

Q. The 1st of November, 1910?—A. 1910.

Q. What position did you occupy prior to that time?—A. I have occupied almost every position in the government service, I began as an entry clerk.

Q. That is you worked your way up?—A. Yes.

Q. Immediately before you were appointed to your present position last November, what was your position?—A. Assistant to the Superintendent of Stationery. I was appointed on the 1st of April, 1909.

Q. You were appointed assistant?—A. To the Superintendent of Stationery.

Q. Who was that?—A. Mr. Gouldthrite.

Q. That was nearly two years ago?—A. Yes.

Q. Immediately before that appointment what would be your position?—A. Well, I was like an ordinary clerk.

Q. In the same office?—A. Yes, the same office.

Q. You had been in that office how many years?—A. Well, I have always been in the same office.

Q. Then you would have a pretty good idea as to the procedure, the way of carrying on the business of that office?—A. Yes.

Q. Supposing we commence now in April, 1909, when you were appointed Mr. Gouldthrite's assistant, starting at that date, how were goods ordered in your office at that time?—A. They were ordered by Mr. Gouldthrite.

Q. Do you know anything about the instructions under which he ordered them?—A. No.

Q. Do you know whether it was the practice to call for tenders or otherwise?—A. Yes, he used to call for tenders for what we call parliamentary printing paper and many sizes of envelopes and paper too, what we call, one, two, three.

Q. And for anything more?—A. Well and large sized envelopes of which large quantities are required he would call for tenders and for large size, special paper, he would call for tenders.

Q. And other things, how would he buy them?—A. He would use his own judgment.

Q. He bought as he saw fit?—A. Yes.

Q. Had this been the practice, as far as you are aware, prior to April, 1909?—

A. Yes, the same practice.

Q. For how long can you speak as to that practice?—A. Since I am in the office.

Q. How many years is that?—A. Twenty-two years.

Q. Was Mr. Gouldthrite there all of that time?—A. No, when I first came in Mr. Bronskill was the superintendent.

Q. And did he act on the same lines?—A. He was acting on the same line and Mr. Roxborough was appointed in 1891, and he followed the same practice.

Q. Each successive superintendent followed the same lines Mr. Gouldthrite did?—A. Yes.

Q. Do you know how the superintendent came to issue his orders, that is were requisitions sent in?—A. Yes, requisitions were sent in by the departments.

Q. He would order in response to requisitions sent in?—A. Yes.

Q. From whom would those requisitions come?—A. From every department, signed by the deputy minister or any other person authorized by order in council to sign.

Q. Has that been the constant practice since you were there?—A. Yes, sir.

Q. What do you mean by 'any other person authorized by order in council,' has there been any other person authorized by order in council?—A. The deputy minister may have too much to do and he might authorize his assistant deputy minister to sign the requisitions.

Q. Excuse me, that does not answer my question. You said that the requisition was signed by the deputy minister or any other person authorized by order in council; I ask you now, do you know of anybody, other than the deputy minister, who was authorized by order in council to sign the requisitions?—A. No, I do not know.

Q. Then as far as you know the only person authorized to issue requisitions is the deputy minister?—A. Yes, and the clerk of each House of Parliament.

Q. They are not deputy ministers, how does the clerk of each House of Parliament acquire that right?—A. By the Act of the department.

Q. By what Act?—A. By the Act of our department, that is section 26.

Q. Of the regulations of your department

Hon. Mr. MURPHY.—The Act, he says.

A. Yes, the Act.

By Mr. Northrup:

Q. Have you the Act there?—A. Yes, I have (hands document to Mr. Northrup).

Mr. NORTHRUP.—Section 24, I see, says:—

All purchases made by the Superintendent of Stationery as hereinbefore provided shall be so made upon requisition approved by the minister or the King's Printer, and, in the case of printing paper for parliamentary printing, the *Canada Gazette* and departmental reports, in accordance with contracts entered into with the like approval after tenders have been called for.

Q. So that there is no authority for the Superintendent of Stationery purchasing anything unless on requisition from somebody, it may be anybody, apparently, but it must be approved by the minister or King's Printer?—A. That is the Act.

Q. When you said the regulations called for the deputy minister or somebody authorized by order in council to sign the requisition, what was your authority for that?—A. I mean with regard to the supplying of goods from our stock; that is not the same as purchasing, is it?

Q. Let us be clear about it. When you spoke about the regulations requiring the requisitions to be signed by the deputy minister or some person authorized by order

in council, you were referring only to requisitions sent in to you for something you had in stock?—A. Exactly.

Q. If it is in stock you send it over at once on the deputy minister's order?—A. Yes.

Q. But if you haven't it in stock, what do you do?—A. We buy it.

Q. On the deputy's order?—A. Yes.

Q. What is your authority for so doing?—A. That would be the authority.

Q. That is section 24 which does not refer to it at all.—A. Section 26, section 24 is only with regard to purchasing.

Q. Is Section 26 the one you are referring to?—A. Yes.

Q. Section 26 is as follows:

"The Superintendent of Stationery shall supply any articles of stationery to any department of the government according to such regulations as are approved by the Governor in Council, upon requisition therefor, signed by the deputy head of such department; and to either House of Parliament, according to regulations approved by such House, upon requisition therefor, signed by the clerk of such House of Parliament."

That is that the Superintendent of Stationery should supply stationery to any department according to such regulations as are approved by the Governor in Council upon requisition therefor signed by the deputy head of such department?—A. Yes.

Q. So that your only authority was to comply with the requisition of the deputy head of a department issued under such regulations as were approved by the Governor in Council?—A. Yes.

Q. Have you got that regulation?—A. Well, I would take it that is the regulation, the Act.

Q. No, not the Act, the regulation by the Governor in Council is a different thing from the Act—however, I would not argue it. Are there any regulations in your office passed under this section, 26?—A. Well, we have our stock list with all the regulations in the beginning of it, there is a copy of that.

Q. Can you tell me offhand, it will take some time to look into it—this Act only allows you, I understand, to comply with the requisition of the deputy head of the department, but that requisition of the deputy head must be in accordance with the regulations of the Governor in Council. I ask you, have you the regulations approved by the Governor in Council?—A. Yes.

Q. Just give me which one of the regulations approved by the Governor in Council it is which relates to these requisitions?—A. That would be section 26.

Q. Section 26 does not touch it, have you anything more than section 26 relating to answering the requisitions?—A. No, I do not see anything else.

Q. I want to be perfectly clear on this; is it the fact that the Superintendent of Stationery has been going on supplying these requisitions without having any regulation whatever approved by the Governor in Council?—A. Well, I would take it that the regulation would be our stock list, with all the regulations in the beginning, which is almost a copy of the Act, and also of those orders in council.

Q. I am asking you now are there any regulations under which you claim to have the right to answer these requisitions?—A. Well, here is a copy of section 26 (reads section 26 quoted above).

Q. That is section 26?—A. Exactly.

Q. And your superintendent has no authority under that clause to answer any requisition except one issued by the deputy head of the department, and that even when signed by the deputy head, must be according to such regulations as are approved by the Governor in Council; so that until the Governor in Council made such regulations even they would have no more authority than anybody else?—A. That would be Chapter 80 of the Statutes.

Q. The statute provides for such regulations being made and I am trying now to find out if such regulations were ever made?—A. There is the order in council here.

Q. I do not see that any such order in council was made, and you understand without such order in council—A.—Here is the order in council of June 26, 1889, as amended by order in council July 11, 1889:

“His Excellency, in pursuance of the powers vested in him by the revised statutes, Chap. 27, Sec. 7, and by and with the advice of the Queen’s Privy Council for Canada, is pleased to direct and order:—

“1. In every department the Deputy Head shall sign all requisitions in accordance with Sec. 7, Chap. 27, of the Revised Statutes, and the clerk, to be named by the Head of the department, shall under the direction of the Deputy, have charge of all stationery and printing and shall receive from the Government Stationery and Printing Offices all printing work and articles of stationery ordered and supplied, and grant receipts for the same, superintending also their distribution to clerks or employees for whose use they have been ordered.”

That would be the regulation.

Q. Let me see it, please, I cannot quite follow it; what is the date of the order?

—A. June 26, 1889.

Q. Have you another copy of this that you would let us have, or perhaps you could let the reporter have this copy so that it can be inserted in the record?—A. Yes.

(Copy of order in council filed as follows):—

Order in council, June 26, 1889, as amended by O.C., July 11, 1889.—His Excellency, in pursuance of the powers vested in him by the Revised Statutes, chap. 27, sec. 7, and by and with the advice of the Queen’s Privy Council for Canada, is pleased to direct and order:—

1. In every department the deputy head shall sign all requisitions in accordance with sec. 7, chap. 27, of the Revised Statutes, and a clerk, to be named by the head of the department, shall, under the direction of the deputy, have charge of all stationery and printing, and shall receive from the government stationery and printing office all printing work and articles of stationery ordered and supplied, and grant receipts for the same, superintending also their distribution to clerks or employees for whose use they have been ordered.

2. The Secretary of State is authorized to prepare a list of all articles to keep in stock and furnish to the department upon ordinary requisitions, such list to be subject to the final revision and approval of the Governor in Council.

3. As soon as such list has been so settled and approved, and printed and distributed to the several departments, all ordinary requisitions upon the Stationery Office shall be issued for those articles only that are therein enumerated.

4. No article shall be added to such list thereafter except upon the report of the Secretary of State, approved by the Governor in Council.

5. No plain paper or envelopes, such as are used for ordinary correspondence, shall be asked for by any ordinary requisition or issued upon the same for private use of the employees in any department, except in the case of deputy heads.

6. No paper or envelopes for correspondence bearing relief stamp, cameo, or embossed work or devices, either lithographed or engraved, shall be kept in stock or supplied, except for the use of ministers or deputy ministers, the Governor General’s Secretary, the Speakers and members of the two Houses of Parliament, and the Judges of the Supreme and Exchequer Courts, the Clerk and Law Clerk of the Senate, the Clerk and Law Clerk of the House of Commons, and the Librarians of Parliament.

7. No pocket knives or pocket books shall be kept in stock or supplied to any department except upon special requisitions, stating the names and employment of the persons for whose use they are to be procured.

8. No despatch boxes or brief bags shall be issued for the use of members of any government commission.

9. All requisitions issued under Rules 6 and 7, or for articles not on the general list (and therefore not procurable upon ordinary requisitions) shall be

signed by the deputy minister and approved and initialled by the minister of the department or the Clerk or Speaker of each House of Parliament.

10. A return of all articles furnished to each department upon requisitions, with the total cost of the supply to such department, shall be made up by the Superintendent of Stationery each six months, as soon as possible after the 30th of June and the 31st of December in each year, in order that it may be submitted to the Governor in Council by the Secretary of State.

11. All former orders in council in reference hereto are cancelled.

Q. Then it is under these regulations you have been acting in the stationery department?—A. Yes.

Q. Up to this date?—A. Yes.

Q. Who would be responsible in your department for seeing that the terms of these regulations are complied with?—A. Well, the deputy head, I suppose.

Q. The deputy head of the department, or the King's Printer, would it be?—A. Yes.

Q. Which would it be?—A. The King's Printer, who is the deputy head.

Q. He would be responsible for seeing that these regulations were complied with. Now, while you were in the department do you know if the list of articles kept in stock was furnished to the various departments?—A. On their demand, yes.

Q. But only on their demand?—A. Yes.

Q. Have you any way of showing how often you gave the departments a list showing what you had in stock?—A. We do not keep any track of that.

Q. Was there any regular time when you would issue such list?—A. No.

Q. Were they only issued if requested by some department?—A. Only then.

Q. Have you in your mind any occasion when such list was requested by a department?—A. Yes.

Q. How often do you require to issue a list?—A. Once or twice a month, but once a clerk has a stock list it will last him for many years.

Q. Then you would hardly have a request from some departments once or twice a month, would you?—A. About that, yes.

Q. Clause No. 10 of the order in council of June 25, 1889, provides:—'A return of all articles furnished to each department upon requisitions, with the total cost of the supply to such department, shall be made up by the Superintendent of Stationery each six months'—A. Every month.

Q. Every month, was it?—A. Every month, yes.

Q. This regulation says every six months. You say that every month there was a return of all articles furnished to each department upon requisition, with the total cost, made by the superintendent?—A. Yes.

Q. What was done with that?—A. It was sent to the Auditor General. It was sent to every department concerned, and then went back to the Auditor General.

Q. Let us understand this matter. The return to which I allude was to be made up every six months by the Superintendent of Stationery in order that it should be submitted to the Governor in Council by the Secretary of State?—A. Well, I misunderstood you.

Q. I am referring to section 10 of the regulations, which provides (reads):—

A return of all articles furnished to each department upon requisitions, with the total cost of the supply to such department, shall be made up by the Superintendent of Stationery each six months, as soon as possible after the 30th of June and the 31st of December in each year, in order that it may be submitted to the Governor in Council by the Secretary of State.

A. That was done every year, not every six months; at the end of every fiscal year.

Q. At the end of every fiscal year this statement was drawn up and submitted to the Governor in Council showing the number of requisitions from each department and the cost?—A. The cost, yes.

Q. Were draft copies of these kept in your department?—A. That is our annual report.

Q. That is, your annual report contains a full statement of what has gone out?—A. Yes.

Q. Does it contain a statement of what came in?—A. Well, what we have in stock.

Q. What you have in stock?—A. Yes; we will have a statement of all the goods bought during the year, and a statement of all the goods issued to every department during the year, and then our stock book shows the balance we have on hand.

Q. When these requisitions come into the Printing Bureau from outside departments, to whom would they go?—A. Do you mean—I don't quite understand.

Q. When requisitions for goods come to the Printing Bureau from outside departments, to what official there do they go?—A. To the superintendent.

Q. To the superintendent?—A. Yes.

Q. Was he the only one that had any judgment as to whether they were necessary or not?—A. Yes.

Q. Then what was done with the requisition itself after the superintendent had dealt with it?—A. That would be returned at the end of the month with the account. That is, according to the law, we should do that.

Q. Returned to the Auditor General?—A. It goes to the Accountant of Contingencies, and then it goes back to the Auditor General; before that it goes to the department.

Q. At the end of each month the Superintendent of Stationery would send all these requisitions that would come in, to whom?—A. To each department.

Q. He would send them back to each department?—A. Yes, so that they would be checked.

Q. At the end of each month the Superintendent of Stationery sent back to each department its requisitions in order that the requisitions might be checked?—A. By the accountant of each department.

Q. What was done with these requisitions after the accountant got through with them?—A. I understand they are returned to the Accountant of Contingencies.

Q. In your Bureau?—A. No; there is only one Accountant of Contingencies.

Q. What department is he in?—A. In the Finance Department.

Q. In connection with the Auditor General's office?—A. Oh, no.

Q. Not in connection with the Auditor General's office?—A. No.

Q. There is an Accountant of Contingencies in the Finance Department, and that is where the requisitions go?—A. Yes.

Q. Do you know where they go from there?—A. To the Auditor General.

Q. So that all these requisitions that come into the Printing Bureau go to the Auditor General?—A. Yes.

Q. I think you told us that when a requisition came in there was nobody but the Superintendent of Stationery to decide whether it was to be acted on or not?—A. Yes.

Q. I find among the statements that we are speaking of to-day an account which I will take for the purpose of illustration:—'Boulanger & Marcotte, Quebec: Quebec and Lévis Directory, 43 copies at \$3.50, \$150.50.' Can you tell me how that would go through the Stationery Department?—A. Most of them would be requisitions from the Post Office Department for all their outside offices and for the post office inspectors, mostly in Quebec.

Q. Are you speaking with a knowledge of this particular item, or speaking generally?—A. No, not of that particular item.

Q. Would you say the bulk of the requisitions for these directories came from the Post Office Department? You see there are 43 directories of Quebec and Lévis supplied?—A. Yes.

Q. Can you suggest what they would be wanted for?—A. For the postmasters in Quebec, Three Rivers and surrounding towns. Montreal would also have a copy. All

this will be shown on the invoices. You have them there, and if you let me see them I can tell you.

Q. Take the Boulanger & Marcotte invoice as an illustration (reads): 'February 25th, 1910, 1 copy of Quebec and Lévis Directory, 1909-1910, \$3.50.' It appears from the invoice that Mr. Gouldthrite received it, and the Labour Department signed for it. Can you give me any suggestion as to what the Labour Department would want with a directory of Quebec and Lévis?—A. No; I am not in a position to say that.

Q. You could not suggest any explanation?—A. No.

Q. That is one case. The next is the invoice of a directory of Quebec and Lévis for the House of Commons, dated January 27th. Can you suggest any reason as to why the House of Commons would want that directory?—A. I suppose it would be for reference.

Q. What is meant by 'House of Commons'? It appears continually in the accounts?—A. It is the demand by the Clerk in the House here.

Q. Can you give me any idea what is meant; I confess I do not know what is meant myself —A. The directory is to be used by the staff here and the members.

Q. It is intended for the use of the members?—A. Yes.

Q. Do you know where it is sent, what official received it?—A. It is to be delivered to Mr. Clarke, who is clerk of stationery.

Q. That is where the copy for the House of Commons goes?—A. Yes.

Q. We understand that point. Now, the next invoice is for the Inland Revenue Department?—A. That may be the outside service of the Inland Revenue Department. It may be in Quebec.

Q. The next invoice is for the I.C.R.; that would be the Intercolonial Railway?—A. Yes.

Q. The invoice is endorsed, 'Books received. O.K. W. A. Dube.' Do you know who that official is?—A. He is one of the officials of the I.C.R.—superintendent of a division.

Q. Then I see that three copies were furnished to the Customs?—A. That would be the Customs at Quebec.

Q. Then there is one copy for the M. & D. Department, that would be the Department of Militia and Defence?—A. Yes.

Q. (Reads): 'Received, one copy, J. E. Morin, Lieutenant Colonel.' Who is he?—A. That is for the militia quarters at Quebec.

Q. Then there is one copy for the 'P.O.'—the post office, I suppose?—A. Yes.

Q. One copy for the Justice Department. Can you suggest why the Justice Department wanted a directory?—A. For reference.

Q. Then there is 'S.O.S.'—Department of the Secretary of State, I suppose?—A. Yes.

Q. Four copies for the Governor General's Secretary. Can you give us any suggestion as to why that gentleman wanted four copies?—A. No.

Q. Again, there are two copies for the Justice Department, and one copy for 'Ex. Affairs'—the Department of External Affairs, I suppose?—A. Yes, External Affairs.

Q. I can only make 39, although 43 are stated to have been supplied. Now, was there any reason that you are aware of for purchasing these directories for places spread all over the country?—A. No; that would not be our business. If we have a proper requisition we simply supply it.

Q. Can you tell me where I would be able to find the various requisitions that went to your Stationery Department asking for directories for different cities?

Mr. CONGDON.—Look at page T—9 of the Auditor General's Report, Mr. Northrup.

By Mr. Northrup:

Q. (Reads): 'Henderson Directories, Ltd., Winnipeg, Brandon, four at \$3.50; Calgary, 8 at \$5.00; Edmonton, 4 at \$5.00; Fort William, 1 at \$3.50,' and so on.

Again, 'McAlpine Publishing Co., Ltd., Halifax: Directories, Halifax, 43 at \$3.50; Nova Scotia, 1 at \$7.00; Prince Edward Island, 24 at \$4.50. McAlpine, H.M. Directory Co., St. John: Directories, Moncton, 1, \$2.50; St. John, 27 at \$3.50.' Now, these are only illustrations. Can you give me any suggestion as to what these would be required for?—A. No, only for reference.

Q. I would like to know who had been ordering all these. Can you tell me where I can find these requisitions?—A. They would be in the hands of the Auditor-General.

Q. I find on page T—8 of the Auditor-General's report one of the items "Canada Law Book Company." I find a number of books there ordered. Would the same remark be true in regard to that as to the directories, that the requisitions will be found?—A. With the Auditor-General, receipted by every department.

Q. When I find an item like Halsbury's Laws of England 19 volumes at \$23 and I know that only Vols. 10-11 had been published?—A. That would be for several Departments. Several Departments might subscribe to that work, Justice, Railway Commission, I cannot remember, but all these can be found with the Auditor-General. We do not carry any of these in stock.

Q. I find 19 vols. there and I know that only 10 to 11 have been published?—A. A new Department might subscribe for the first volume.

Q. So all these would represent a couple of sets?—A. You will find the invoices, that will give you all the details.

Q. While we are looking for the invoices of the Canada Law Book Company I see there is an item, The Beauchemin Libraire, Limited. They have \$7,656.16. That is on page T—6. I see the first item under the heading of Beauchemin Libraire was the Almanach du Peuple, 24 $\frac{1}{2}$ dozen?—A. Well, that is an error. I calculated, I thought it strange and I find it is only 24 dozen. That is an error in the printing of the report.

Q. There is the Almanach Peuple, 24 dozen and then immediately afterward, Almanacs 225. That will be 500 there. You know nothing about that?—A. The invoices will give the departments to whom they have been delivered.

Q. It would appear that the departments were helping themselves. I see there are 19 vols. I came across Vol. 10, Secretary of State, \$7 a volume. The next is Justice, Vol. 10, 2 sets, \$12 in one department, Justice?—A. Yes.

Q. I find I.L.O.C., House of Commons, with alarming frequency here. Would these be all for Mr. Clarke?—A. They would be ordered by him.

Q. We will see Mr. Clarke then. The Secretary of State, Justice, Agriculture. Now the Secretary of State gets a set, \$7. Then Justice gets two more of Halsbury. Then I see an Encyclopædia of the Laws of England, vols. 1 to 15, \$52.50 for the Railways and Canals. So that every department is at liberty to set up a law library, apparently. Then there is the same work, the Encyclopædia of the Laws of England for the Railway Commission. I do not object to it at all, I call attention to it as showing that the Railway Commission and Railways and Canals both ordered them?—A. Yes, but they are not in the same building.

Q. I understand, I have no objection. Then Halsbury's Laws of England, another volume to the Secretary of State?—A. It might not be always the same volume.

Q. I am trying to get the numbers to see if they make up the 19 vols. The item we are looking at charges 19 volumes. Halsbury's Laws of England to the Secretary of State, 7 vols, \$42. Two more get volume 7, two of the same volumes to the Justice Department. So they are taking two sets in the Justice Department—A. Very likely.

Q. I suppose you know, as a matter of fact, that there is a library in connection with the Justice Department?—A. Oh, yes.

Q. There are two more for the Justice Department, Vol. 6. I see two sets Parliamentary Rules at \$9, \$18, for the Agriculture Department.

Hon. Mr. MURPHY.—Where is that item, Mr. Northrup?

Mr. NORTHROP.—It is included in the Canada Law set.

WITNESS.—That may be under the item, Books, \$824.

By Mr. Northrup:

Q. About the Beauchemin Libraire, you say that the Almanachs du Peuple, which is printed here 241 dozen, should be 24 dozen?—A. Yes.

Q. And then it is followed immediately afterwards by 225 more almanacs?—A. Yes.

Q. I notice, in going through these a night or so ago, a dictionary, Clifton & Grimaux Dictionary. Do you know anything about that?—A. That is a French and English dictionary.

Q. Can you give any suggestion as to why such an enormous number were purchased?—A. I cannot.

Q. Would that be one of the cases referred to in the inquiry held by the minister, where agents went into the department and persecuted the servants until requisitions were given?—A. No, not in this case.

Q. Do you happen to remember the fact that an extraordinary number of these dictionaries, at \$6.50, were ordered?—A. When we think the department needs a certain book we buy it.

Q. Can you account for requisitions coming in from business people for that particular book?—A. I cannot.

Q. I see there are 34 dictionaries charged. It strikes one off-hand as an extraordinary thing that at one time requisitions would come in for 34 English and French dictionaries?—A. They would not come in at the same time.

Q. Not in the same day, but in the same year?—A. The same year, yes.

Q. The various departments have gone on without those dictionaries till this year, and then 34 of one particular kind are wanted. You do not know anything about that?—A. I cannot say.

Q. After that same item, page T—6, Dictionaries, 34, \$164.40; I see there are 3 dozen at \$5, that is 36 more. That would be 70 dictionaries?—A. We have school dictionaries for the Indian schools.

Q. Are you buying \$5 dictionaries for the schools?—A. No; may be \$5 a dozen.

Hon. Mr. MURPHY.—\$5 for the 3 dozen.

Mr. NORTHROP.—(Reads): 'Clifton & Grimaux, 2 vols., price \$5.60, with 10 per cent off, \$5.04.' Then, on the next invoice, one at \$5.04; next page, one at \$5.04, and so on. So it is not in the dozen.

Q. Well, we will not waste any more time on this. Did it ever occur to you at any time while you were in the department that matters were being carried on carelessly there? As a public official it must have appeared to you that the procedure in your office was reckless?—A. No.

Q. Up to this time has it ever seemed to you that the business was carried on with check?—A. Well, everything was checked.

Q. You say everything was checked, but you see Mr. Gouldthrite was checked in no way.—A. Well, I cannot tell you that you know—whether there was a check or not.

Q. You do not mean to say that everything was checked?—A. All the goods coming in and out.

Q. That is another thing. I am speaking of the way that business was carried on. You have told us that Mr. Gouldthrite bought on his own initiative and that he had done so for years. Did it occur to you that it was a reckless and careless way of doing business?—A. No.

Q. It never did? And you have never at any time up to this date considered it a reckless way of carrying on business?—A. Well, I found he had over-stocked himself, yes.

Q. You found he had over-stocked himself, that is a fact? Did it ever occur to you up to this time that the business methods of the department were very foolish?—A. No, it was always done on the same lines.

Q. Always done on the same lines? So you never thought there was anything wrong about it?—A. No.

Q. And you never spoke to anybody about making an improvement?—A. No.

Q. You never suggested to anyone that there could be an improvement made?—A. No, it was not my duty to do it of course.

Q. And you did not do it?—A. No.

Q. And you could not, while you yourself did not see that there could be any improvement? You were quite satisfied with that method of doing business?—A. I don't know if I was satisfied, but I was not there to re-organize the department. I was there simply as one of the—

Q. I want to be fair to you. I understood you to say a little while ago that you never noticed that the business was not carried on in a perfectly proper way?—A. Except that he was over-stocking himself the last few months.

Q. You noticed the last few months that you were over-stocked?—A. Yes.

Q. Was that the first time you noticed that you were over-stocked?—A. Yes.

Q. You never noticed it until the last few months? As a matter of fact did you know the department had come to be over-stocked?—A. I noticed it the last two or three years.

Q. You know now that the department has been over-stocked?—A. Yes.

Q. But you never noticed it was over-stocked until the last two or three months?—A. The last two or three years.

Q. I beg your pardon, I thought you told us you did not notice it was over-stocked before?—A. I did not notice it until the last two or three years.

Q. Was it much over-stocked?—A. Yes.

Q. A good deal over-stocked? Did you not give evidence previously as to the amount of over-stocking in pen knives, paper and other things?—A. Yes, I did.

Q. You found an immense amount of over-stocking in pen knives and paper?—A. Yes.

Q. Was it a couple of years ago you first noticed that there was a great deal of over-stocking?—A. I think about a year ago.

Q. Only about a year ago?—A. Yes.

Q. The beginning of last year?—A. Yes.

Q. You noticed the department was away over-stocked?—A. Yes.

Q. In fact you had enough pen knives for several years, had you not?—A. Yes.

Q. Did you tell anybody about that condition of things?—A. Yes, I called Mr. Gouldthrite's attention.

Q. Anybody else's?—A. No; I forget now.

Q. Mr. Gouldthrite was the man who was doing the over-stocking?—A. Yes.

Q. He must have seen, just like yourself, that everything was over-stocked?—A. Yes; very likely.

Q. Do you think you did your duty by the country by mentioning it only to the man who was guilty of the wrong, and going no further, when you found this tremendous over-stocking going on?—A. Mr. Gouldthrite gave me this reason. He said: 'We will never know when we will be called upon to supply every civil servant with a pocket knife.' He wanted to be ready to—

Q. To supply every requisition. And you were satisfied with it?—A. Yes.

Q. At all events, you did not go any further?—A. I did not go any further, no.

Q. You noticed, you say, this over-stocking in the articles mentioned. Did you notice any other over-stocking?—A. Yes.

Q. In what articles?—A. In carbon paper and typewriter ribbons.

Q. Did you speak to Mr. Gouldthrite about it?—A. I did.

Q. Did you speak to any one else about it?—A. No.

Q. You simply spoke to Mr. Gouldthrite, and thought you had done your duty to the country when you spoke to him?—A. Yes.

Q. Although he was the man who bought the goods?—A. He was my superior officer.

Q. He was the man who was buying in excess?—A. Yes.

Q. Did you notice any further over-stocking?—A. In paper. I spoke to him about that, too.

Q. Did you go any further?—A. No.

Q. You did not then, I understand, speak to a soul about this over-stocking except Mr. Gouldthrite?—A. I cannot remember. I may have spoken to somebody.

Q. I do not know whether you did or not; I am just trying to find out whether you discharged your duty. You were under Mr. Gouldthrite there?—A. Yes.

Q. You found there was a tremendous over-stocking, and apparently you did not say a word to anybody but him about it?—A. Well, I spoke to a friend of mine.

Q. That is, a friend outside the Bureau?—A. Yes.

Q. What did you tell your friend outside?—A. Well, I spoke to him as a kind of adviser.

Q. You went to some outsider as an adviser because you found an over-stocking going on?—A. Yes.

Q. What did you want him to advise you about, as to whether you should not inform your superiors?—A. Well, I had spoken to him.

Q. You had spoken to him as to whether you should inform your superiors? What conclusion did you come to, that you would or would not?—A. That I would not.

Q. And you did not tell him to go and inform them?—A. No; I did not tell him.

Q. You did not arrange that he should go?—A. Well, I left it with him.

Q. You left it with him as to whether he should inform any of your superiors?—A. Yes.

Q. And did he afterwards tell you that he had done so?—A. Not directly.

Q. Did he give you to understand that he had done so?—A. Yes.

Q. Was anything done then?—A. I don't know; I cannot answer that.

Q. You do not know? Nothing was done in consequence?—A. Yes.

Q. Who did you tell directly?—A. Mr. Boudreau.

Q. Is he the friend you consulted outside?—A. Yes.

Q. And was it he who sent word to the department?—A. I beg your pardon?

Q. You said you arranged it with Mr. Boudreau and left the matter with him, and he spoke to somebody?—A. Yes.

Q. In the department? He gave you to understand that he had done so. Now, who was it that the word went to in that way?—A. I beg your pardon?

Q. Who is it that word reached in that way, to whom did he go?—A. That was left to him.

Q. You have told me that you left it to him, and that he came back and gave you to understand that he had given word?—A. Yes.

Q. Who was it in the Department to whom word was sent?—A. I cannot tell, it was not in my Department.

Q. Do you mean to say that after consulting Mr. Boudreau as to what you should do and leaving it to him, and he coming back and giving you to understand that he had informed somebody, some superior about it, that you do not know who the superior was that he informed?—A. I took it for granted that it would be the head of the Department.

Q. Who would be the head of the Department, the King's Printer?—I think it was the Secretary of State.

Q. The Minister in charge of the Department?—A. Yes.

Q. So then the gentleman that you and Mr. Boudreau discussed about mentioning it to, and whom you understood he had mentioned it to, was the Minister?—A. Yes.

Q. About what date would this be?—A. That would be in the summer of 1909.

Q. Then was anything done in consequence of that as far as you know, in the summer of 1909?—A. I could not tell.

Q. Or the winter of 1910? There were no changes made in the Department?—A. No.

Q. Mr. Gouldthrite went on buying just the same?—A. Yes.

Q. And the over-stock continued?—A. Yes.

Q. And I suppose you thought you had done your duty and could not do any more?—A. Yes.

Q. I notice in your examination before the Minister a rather extraordinary detail about the way the price of toilet paper went up. Will I find the requisitions for that toilet paper with the Auditor General?—A. Yes, sir.

Q. Were you aware of the extraordinary increase in the price they were paying?—A. I was, yes.

Q. Did you know where this paper was sent, and was it forwarded from your Department to its destination?—A. I was not aware at the time, no.

Q. When did you first learn of it?—A. During the inquiry.

Q. And you inquired regarding it?—A. Yes.

Q. When was that?—A. Last summer during the inquiry.

Q. As to who got it?—A. Yes.

Q. You knew at the time of this tremendous increase in price?—A. Yes.

Q. Was that a common topic of conversation at the Bureau?—A. Yes, you might say that.

Q. Well, then, this extraordinary increase having come, did you yourself ever see any requisitions under which such toilet paper was bought?—A. You mean orders?

Q. The orders under which it was bought?—A. No, I did not see them.

Q. Would you ever see any of the requisitions or instructions as to where it was to be sent?—A. No, I did not.

Q. From your knowledge of the way the business was conducted, if I find in the Auditor General's office the requisition for so much toilet paper, would I find there any other paper to tell me how that was disposed of? Whether your Bureau sent it to the departments which requisitioned it or whether your Bureau sent it directly to the place where it should be used?—A. We sent it directly to where it should be used.

Q. Your department would do that?—A. Yes.

Q. If I find the requisition from your department, will I find the instructions on the requisition showing where it was to be sent?—A. Yes.

Q. I will not have to look anywhere else?—A. Yes, you will find it there.

Q. For example, the Department of Justice requisitioned for toilet paper to be sent out to the penitentiary?—A. Yes.

Q. Do you see these requisitions yourself?—A. No; I do not see them.

Q. Do you know if any specific paper is asked for in these requisitions or not?—A. I couldn't tell that.

Q. You know, from your own knowledge, that the most expensive paper was sent to the penitentiaries?—A. Yes.

Q. It cost over \$13?—A. Yes.

Q. That is all, I think.

By Mr. Lennox:

Q. I think you said there was an annual statement sent to the Governor in Council?—A. Yes.

Q. Of all the stock that was purchased during the preceding year, all the stock sent out during the preceding year, and the stock on hand at the end of the year, is that correct?—A. Yes.

Q. So that at least once a year the Governor in Council would know the condition of affairs as regards the stock coming in, the stock going out and the stock on hand?—A. Yes.

By Mr. Congdon:

Q. Section 39 of the Act is the provision under which these accounts are furnished:

The King's Printer shall furnish a statement monthly to the Auditor General.

and the Auditor General is required to take stock at his discretion; is that the section under which this statement is made of which you have just spoken?—A. No; it is not the same section.

Q. Where is the section requiring that you shall take stock twice a year?—A. Section 39 provides for the stock-taking, subsection 2 of that section says:—

The Auditor General shall, annually or more frequently, at his discretion, cause the stock of stationery in store to be checked with the quantities purchased and supplied.

Q. That is the section under which the statement to which you refer was made?—A. No, that will be another one; I think that will be section 30:

The accountant shall, under direction of the minister and the King's Printer, audit all accounts for any of the services under the control of the department, keep the accounts of the department, receive and deposit all cash paid in, and render statements of accounts to the clerks of the two Houses of Parliament and the deputy heads of the several departments, as and when the same are required by this Act or by regulations made by, or instructions received from, the minister.

I don't think that is the one exactly. Yes, section 26, subsection 2:

The quantity supplied and the value thereof shall be charged against such department or House of Parliament, and an account shall be furnished monthly of the same, respectively, to each deputy head of a department and the clerk of each House of Parliament, accompanied by the several requisitions in respect of the several articles mentioned in the said account, and such deputy head or clerk shall if the same is found correct, certify to the correctness of such account, and return it to the Superintendent of Stationery.

That is what we refer to every month.

Q. That is not to the Governor in Council a statement is made?—A. No, no, it is to the department.

Q. To the heads of the different departments?—A. Yes.

Q. That is merely an account is furnished to the deputy head of the department, together with the requisitions received from and filled for that department, which if correct he returns to the Superintendent of Stationery who in turn sends it over to the Auditor General?—A. Exactly.

Q. That is the statement to which you referred in your answer to Mr. Lennox?—A. No.

Q. Where is the authority for that statement, and to whom was it made?—A. That will be the last one I read to you about stock taking.

Q. Is that under section 39? Does anybody else take stock besides the Auditor General?—A. No, the Auditor General should take stock, you know.

Q. The annual stock-taking is by the Auditor General under section 39, subsection 2?—A. Exactly.

Q. Is that what you meant in answer to Mr. Lennox?—A. Exactly.

Q. You said, in answer to Mr. Northrup, that Gouldthrite was not there all the time; what did you mean by that, that he was not there all the time?—A. I do not remember that question.

Q. He asked you if Mr. Gouldthrite was there all the time and you said, No, Mr. Gouldthrite was not in the office of the Superintendent of Stationery all the time; was that what you meant?—A. I do not remember that question.

Q. Was he there all the time?—A. Yes, he was—well of course in office hours.

Q. He was not filling that office, he was not Superintendent of Stationery all the time during which he was in the Printing Bureau, but during all the time you were in the Printing Bureau he was employed there?—A. Yes.

Q. Now what time did he come in?—A. I think he came in '85 or '86.

Q. Or earlier?—A. Yes.

Q. At all events he was there during the whole time you were there?—A. Exactly, yes.

Q. At what time was he appointed Superintendent of Stationery?—A. In 1899.

Q. And he continued down to last year?—A. Yes.

Q. He was Superintendent of Stationery during the time Dr. Dawson was King's Printed?—A. Yes.

Q. And during the earlier years of Mr. Parmelee's occupancy of that office?—A. Yes.

Q. What sort of an officer was he?—A. Well, he was a gentleman and a very good man, good for everybody, nobody could find fault with him.

Q. What was the reputation in which he was held in the department and in the Bureau generally?—A. He was evidently an honest man.

Q. And when did you first learn anything that impaired your idea of his reputation?—A. Well, recently, not until the inquiry.

Q. Well, did this over-stocking that you noticed lead you to suspect anything wrong with Mr. Gouldthrite?—A. No, I saw nothing.

Q. Why not?—A. Well, as I said before, I spoke to him several times and he always gave me some good explanation, at least it appeared to me to be good. He said, we are called upon to supply large requisitions, especially to the Intercolonial Railway, which asks for 100 boxes of carbon paper at a time, and he said, we must be in a position to supply them at once and in order to do that we must have a large stock, the same with ribbons, there are so many brands, so many colours and so many machines in the service that we must have a large stock on hand. The explanation he gave me was that he needed a large stock in order that he might be ready to supply the large requisitions.

Q. And you say he gave you similar explanations as to the knives, carbon paper, ribbons, &c.?—A. Exactly.

Q. And did that explanation at all events for the time, satisfy you?—A. It did satisfy me.

Q. What caused you later to speak to the gentleman whom you have mentioned?—A. Well, I was then appointed Assistant Superintendent of Stationery by order in council and I felt then I was in a way responsible for the stationery and really I was at a loss to know what to do and simply asked for advice.

Q. And you noticed then there had been over-stocking for some time, but at what time did you consider it became serious?—A. Well, it would be a year ago last summer.

Q. A year ago during the summer?—A. Yes.

Q. With regard to this over-stocking which has been mentioned, what has become of that stock?—A. Well, we have it in stores.

Q. Except what has been supplied, of course?—A. Oh, well, it has been supplied.

Q. So that the over-stocking is not an absolute loss?—A. I do not think there will be anything lost, even all the ribbons will be used and all the carbons. It is only a matter of time.

Q. That is the loss is in having purchased and paid for it too soon?—A. Yes.

Q. These various companies whose names have been mentioned to you, the Beauchemin Librairie, the Canada Law Book Company, Limited, and those other companies, whose names are mentioned in your subpoena, has the Bureau been dealing with them for a long or a short time?—A. For a long time.

Q. Take this Canada Law Book Company, is not that the name under which an old company is now operating?—A. I think at first it was the Toronto Law Book Company and the name was changed to the Canada Law Book Company in 1890.

Q. How long has the Department been dealing with that company?—A. Since I am in the office.

Q. And is that true of the Beauchemin Librairie, Limited?—A. The Beauchemin Company? Yes, quite a number of years, too.

Q. Do you know anything about whether these directories have been purchased in former years?—A. Yes, on the same lines.

Q. On the same lines, for what length of time?—A. Oh, for years.

Q. At all events, Mr. Patenaude, you would not consider it at any time, formerly or even now your duty to go into any intimate inquiry as to whether goods ordered were useful or not?—A. No, it is not our business to do it.

Q. If a requisition comes to you in proper shape and form you supply the goods?—A. Yes.

Q. How long was Dr. Dawson King's Printer?—A. He was appointed in 1891.

Q. And he continued until recently?—A. Yes.

Q. He continued in office up to what time?—A. Up to, I think, a few months before Mr. Parmelee was appointed.

Q. Well, do you know what the relations were between him and Mr. Gouldthrite?—A. They were the best relations. Mr. Dawson thought an awful lot of Mr. Gouldthrite and left it entirely in his hands and we had a lot of confidence in Mr. Dawson's knowledge, who was an old gentleman, and we all thought that everything was all right.

Q. And you are now acting as Superintendent of Stationery?—A. Well, I am appointed Superintendent of Stores.

Q. And what practice has been adopted with regard to the ordering by you?—A. Every order now is initialled by the King's Printer.

Q. You give no order on your own initiative?—A. No.

Q. At least unless it is endorsed by the King's Printer?—A. Without the King's Printer's approval.

Q. With regard to these purchases of law books, how were they purchased, and at what prices? How was the price fixed?—A. At catalogue prices, less ten per cent, except standard works, which were at standard prices.

Q. You have examined the accounts pretty thoroughly to ascertain whether that has been carried out?—A. Yes.

Q. And you found, with regard to all these purchases, that except in the case of subscription works the department gets 10 per cent discount on the catalogue price?—A. Yes.

Q. Would any of these be furnished by contract? Any of these which have been mentioned to you this morning?—A. No.

Q. And all of these purchases would be made in that way, directories, law books and books of any kind, other than subscription, at catalogue price?—A. Yes.

By Mr. Lennox:

Q. I will call your attention to the matter of total cost again. In the regulations that you produced this morning, made in pursuance of the statute, clause 10 says, 'A return of all articles furnished to each department upon requisitions, with the total cost of the supply to such department, shall be made up by the Superintendent of Stationery each six months, as soon as possible after the 30th of June and the 31st of December in each year, in order that it may be submitted to the Governor in Council by the Secretary of State.' That is what you refer to, I think, when you gave me the answer just now?—A. Yes.

Q. I think you told Mr. Northrup that that statement was not made up every six months, it was made up once a year?—A. Yes, once a year.

Q. In other respects, the regulations that I have just read are not complied with?—A. Not complied with, no.

Q. Except as being half yearly, it was complied with?—A. Yes.

Q. So there was a statement made annually of the purchases that had been made in the preceding year?—A. Yes.

Q. And that was carried down to the end of the financial year, I think, he said?—A. Yes.

Q. There was a statement of what goods had been delivered during the preceding year?—A. Yes.

Q. And there was a statement of the stock then on hand?—A. Yes.

Q. And that was returned to the Secretary of State in order that it should be read before the Governor in Council?—A. Yes.

Q. That was done?—A. Yes.

By the Honourable Mr. Murphy:

Q. That was the annual statement?—A. The annual report.

By Mr. Lennox:

Q. That statement was all embodied in your annual report?—A. Exactly.

Q. Were the requisitions on any occasion declined or refused?—A. Not to my knowledge.

Q. Were they ever held over for investigation?—A. Not to my knowledge.

By Mr. Congdon:

Q. It might have been for all you know?—A. Yes.

By Mr. Lennox:

Q. Do you think it could happen without it coming to your knowledge?—A. No, if the requisition came for a special article, like a pocket-knife, which generally must have the Minister's initials, we will sometimes return the requisition to have the Minister's initials attached to it; that is all.

Q. Do you know of any case in which the requisitions were not complied with?—A. Well, there might be some odd cases.

Q. Can you mention any case?—A. I cannot remember.

Q. You do not remember any case?—A. No.

By Honourable Mr. Murphy:

Q. Would you know if any requisition had been refused?—A. It might be held by the Superintendent.

Q. Would you know that?—A. I would not.

Witness discharged.

GEORGE S. HUTCHINSON, called, sworn and examined.

By Mr. Northrup:

Q. You are in the department of the Printing Bureau, I believe?—A. Yes.

Q. How long have you been there?—A. Since early in 1899.

Q. What is your position there?—A. I have charge of the contracts.

Q. That is, the making of the contracts?—A. Yes, for the stationery.

Q. For the purchases?—A. Of stationery and paper and envelopes.

Q. What would be included under the heading, stationery and paper, anything more than literally paper and envelopes?—A. At the present time we contract practically for all our stationery, practically everything.

Q. I was trying to ascertain what meaning you attach to the word, Stationery. For example, would it include knives, pencils, scissors?—A. Up to this time they are not embraced in the list of articles called for under contract. As a matter of fact we have not purchased any of them lately.

Q. When you use the word Stationery you would only cover paper in one form or another?—A. Not necessarily. We would cover paper in every form, envelopes, and twine.

Q. Ink, pens and pencils?—A. Yes, we have purchased ink by tender, pens and pencils we have not.

Q. You have given me the items that you had to purchase by tender and that is the reason I want to hear a definition of Stationery. So I say paper in all its forms is purchased by tender?—A. Yes.

Q. And twine, you say?—A. Yes.

Q. And sometimes ink?—A. Sometimes ink.

Q. Can you suggest anything else?—A. Envelopes.

Q. I said paper in all its forms?—A. These items constitute the bulk of our tenders, so that up to this time we are tendering for practically everything.

Q. Right along for years you have been asking tenders for all these articles?—A. Yes.

Q. Then as to the other articles purchased by the Bureau, would you say that tenders were asked for them, or were they bought by the Superintendent?—A. They were bought by the Superintendent.

Q. As he saw fit?—A. Yes.

Q. What was your procedure as to purchasing goods by tender prior to Gould-thrite's disappearance?—A. The procedure was to prepare specifications. We will take a specific instance. If we wanted a year's supply of No. 1 ledger paper, we prepared a specification outlining the approximate quantities, the size, weights, and the stock from which these papers must be made, and the tests they must stand and the manufacture. They were sent to the different paper manufacturers and jobbers in Canada.

Q. They were sent out, you say, to all the manufacturers and jobbers in paper in Canada?—A. Manufacturers and jobbers handling these lines so far as we knew.

Q. You did not advertise in the papers, but you sent to all you knew?—A. Yes.

Q. Who was the official who looked after that?—A. I was.

Q. You sent to all jobbers and manufacturers of paper that you knew in Canada to get their tenders?—A. Precisely.

Q. Did you write to them or send a messenger?—A. We sent a copy, what we call an Invitation to Tender, accompanied by a copy of the specification, tender forms.

Q. When the tenders came in were the contracts always given to the lowest tenderer?—A. Always.

Q. Very large purchases of goods were made in the States, I believe?—A. I believe so.

Q. Were tenders asked for them?—A. No.

Q. Even for paper or envelopes?—A. No.

Q. And large quantities of goods were made in Great Britain, I think?—A. Fairly large.

Q. I believe no tenders were asked for them?—A. No.

Q. So that the only place there was any tendering was among the manufacturers and jobbers in Canada?—A. Yes, so far as paper and envelopes are concerned.

Q. Who had control of the buying of those outside goods from the States and Great Britain?—A. The Superintendent of Stationery.

Q. Mr. Gouldthrite?—A. Mr. Gouldthrite.

Q. So that he had control of all the purchasing of the Department other than those goods you have already spoken of that you called for by tender?—A. Yes. Just here I might say that I was connected with the Stationery Branch of the Bureau and that really my superior official was Mr. Gouldthrite.

Q. At all events he was the gentleman who did, rightly or wrongly, make the purchases?—A. Oh, yes.

Q. Supposing you had made a contract for a certain amount of paper with some Canadian firm, what was the procedure as to checking those goods when they came in, and how did they go out?—A. The goods bought under tender for the Bureau were stock-goods, they went into stock in the Bureau. The procedure was this. I prepared for the stock-keeper at the Bureau a copy of the specification under which the goods were bought. When they came in he checked the goods for quantity first. Then they were tested to see that they complied with the specification. If there was any irregularity he reported it to me and it was taken up and dealt with. The invoices were then checked for prices, to see that the prices on the invoices corresponded with the contract prices. As to the distribution I have no knowledge.

Q. So your evidence would be that so far as the goods purchased by tender in Canada were concerned, they were properly checked on receipt at the Bureau, but as to how they went out you cannot speak?—A. No.

Q. Can you give me an idea as to the amount you would be expending each year on these contracts you have spoken of?—A. Speaking off-hand, somewhere in the neighbourhood of \$200,000.

By the Hon. Mr. Murphy:

Q. You mean the stationery branch?—A. The stationery branch bought in the neighbourhood of \$200,00 worth.

Q. Have you any idea of what the sum total expended for the purchase of other supplies would be, roughly?—A. I would say \$500,000 or \$600,000.

Q. So we have \$200,000 under contract?—A. No; pardon me, I am speaking of the total amount, including the contract purchases.

Q. That would be \$300,000 or \$400,000?—A. Yes.

Q. \$200,000 was for the expenditures under contract and \$300,000 or \$400,000 not under contract?—A. Yes.

Q. And all this not under contract was under the control of Mr. Gouldthrite?—A. Absolutely.

Q. Was there any check over him at all?—A. Not as to amount or as to quantities he should buy.

Q. Or what prices he should pay?—A. Yes, there was a check kept in the office of the prices paid. The prices, so far as I know, paid for goods were quite fair wholesale prices.

Q. There was a check kept in the office? Who was the individual who held the check over him?—A. One of his clerks checked the invoices that came in. He saw that the prices were not extortionate.

Q. One of Gouldthrite's clerks looked over his superior's purchases to see that the prices were all right?—A. To check the invoices for the goods.

Q. I suppose that he would check the invoices to see that the goods came?—A. Yes.

Q. And that was the only check of Gouldthrite, was it?—A. That was the only check, so far as I know.

Q. He not only bought, then, when he liked, but where he liked?—A. Precisely.

Q. Do you happen to know who the clerk was who was checking Gouldthrite's purchases the year before his disappearance?—A. His name was Mr. Gay.

Q. Is he still with the department?—A. Yes.

Q. Do you know his first name?—A. Paul—Paul Gay.

Q. Would you know anything about this process of requisition we were speaking about this morning?—A. Only in a general way.

Q. Would it come under your sphere of duties in any way?—A. No; I have nothing to do with it.

Q. In addition to the purchasing of paper and other supplies, there is quite a work done in the Bureau in the way of printing, both printing in the Bureau itself and letting out contracts for printing. Had you anything to do with that?—A. I had nothing to do with that.

Q. Who checked your purchases that came in?—A. They were checked by a series of clerks.

Q. Do you know the name of them?—A. This same man Gay checked them. I furnished this man Gay with a list of the prices at which these goods were purchased, so that when the invoice for the goods purchased under contract came to his notice all he had to turn up was either the original contract itself or the list which he kept in his desk.

Q. How would the transaction be wound up, would he give you a written report that everything conformed to contract?—A. If it did not it was called first to my attention, and then the matter was taken up in the usual routine of correspondence and adjusted.

Q. Supposing everything was all right in the contract, would he give you an official report?—A. Oh, no.

Q. Or simply make a verbal statement? Would there be anything on the file?—A. Oh, no.

Q. If there was anything wrong would he give a written report?—A. Oh, no, his attention was simply called to it. As a matter of fact I feel justified in saying to you, Mr. Northrup, that no purchases were made under contract except that the prices paid were in exact accordance with the contract.

By Mr. Lennox:

Q. Do I understand you to say that if it turned out after investigation anything was wrong, the clerk would report to you?—A. Yes.

Q. If you did not hear any report, the presumption was everything was all right?—A. Precisely.

Q. If everything was found to be all right there was no need for a report and there was no report?—A. That is true, with this exception, Mr. Lennox; the man who tested the papers—for instance the man who had charge of the stock room, and made these tests for the quality and strength, and so on, of the papers, reported to me regularly whether everything was right or wrong.

Q. His reports are on the test as to the strength and character of the paper?—A. Precisely.

Q. That was the one exception? By the way, is there not more than one test of paper?—A. There are various tests.

Q. There are a number of tests?—A. Yes, there is a test for strength.

Q. That is a technical affair?—A. Precisely.

By Mr. Blain:

Q. How did you keep that list of manufacturers and jobbers, who is responsible for that?—A. As a matter of fact there was no official list kept. Mr. Blain. This list was in existence when I went into the Bureau.

Q. At what date?—A. In 1899. The list had been in existence as far as I know, for a great many years. It was added to as new firms went into business. New paper manufacturers came into existence, and they applied to the Bureau to sell their goods. They were added to this list and given an opportunity to tender. The list, as a matter of fact—the first revision of the list that I speak of, was made by Dr. Dawson, the late King's Printer.

Q. Who was responsible for keeping up the list and adding new manufacturers and jobbers to it?—A. I don't know that anybody was directly responsible. For instance, I have seen letters from Mr. Murphy, in which a paper manufacturer has written to him and told him that he has gone into business, and Mr. Murphy has written to the Bureau and said 'Give these people a chance to tender, when you are next calling for contracts.' That was the method followed in keeping the list.

Q. Had you any suspicion that there was anything wrong in the department?—A. Absolutely none.

Q. When was it first brought to your attention that there were irregularities?—

A. At the beginning of the Investigation.

By Mr. Lennox:

Q. Was the list hung up in some place in the department?—A. My first impression of it is this: I took the list from an old tender for papers. I took it to Dr. Dawson and he went over it. Some of the firms had gone out of business and there were some new firms. He added to and re-arranged the list. A copy of that list is on each tender form, on each completed tender. If a new firm went into business, the next time tenders were called they were given an opportunity to tender. The list has been kept in that way.

Q. If a new firm went into business and that firm applied to be put on the list or to get business, it would be put on the list?—A. They were given a form of tender for goods.

Q. If a new firm had gone into business and had not made application, would it be placed on the list?—A. If we knew of them, yes. As a matter of fact we sent tenders out to all the paper manufacturers in Canada, making the grade of paper that we use.

Q. Do you know of any reason, Mr. Hutcheson, why these contracts should not have been advertised in the newspapers?—A. No, I do not know. That is a matter of policy and it is not for me to decide.

By Mr. Blain:

Q. Did it ever occur to you that there were very large purchases being made in the United States?—A. I may say that towards the end of last year or so I noticed we were not buying as many goods in Canada as were being bought in the United States. The only thing I handled was the goods bought under tender. We bought them all in Canada, but I noticed we were not buying quite so many in this country.

Q. Are you aware that these goods purchased in the United States were supplied without any public competition?—A. I assume so. Of course, as a matter of fact, I was aware of it.

Q. There was a larger amount purchased from the United States without competition than was purchased in Canada by public competition?—A. I don't think so.

Q. About what proportion would it be?—A. I don't think there would be more than fifty per cent.

Q. Could you name about what quantities were so purchased?—A. I could not, without looking it up, Mr. Blain.

Q. But you were aware that the quantity was increasing year by year?—A. Yes.

Q. And were you not aware also that there was a large quantity of goods being supplied that were not being used?—A. No, I was not aware of that.

Q. Is it a fact that there was a large quantity of supplies in the office which was not being used and could not be used for several years to come?—A. Yes, I have learnt that lately.

Q. You never knew of it at the time?—A. They were purchases of goods I never handled, Mr. Blain.

By Mr. Currie (North Simcoe):

Q. You have just said that you did not know, until after the investigation, that losses had been sustained by the Department?—A. Yes, I said that.

Q. When did you find that out?—A. That losses had been sustained?

Q. Yes, that there was crookedness in the Department?—A. I cannot say that.

Q. Just a moment ago you said so?—A. I was asked if I had any knowledge of any wrong-doing. I said no, but I assume from the evidence given at the investigation conducted that there was wrong-doing.

Q. Take the purchases of foreign paper. That paper is generally purchased on a brand, is it not?—A. On a water mark.

Q. That is to say, if Smith has paper of a certain water mark, and I have paper of another water mark, it is the right and privilege of the purchaser to ask for whatever water mark he desires? Is that not so?—A. Yes.

Q. Is it not a fact that if you want to buy certain lines of these goods and want to juggle with these brands, you can do so; that is to say, you can buy an inferior paper, a department might purchase paper of an inferior brand and pay the same price for it they would pay for the real brand that has been established for 50 years or more?—A. I cannot say that I follow you precisely; all paper is sold under a water mark which cannot be duplicated.

Q. It is a trade mark?—A. Yes, a trade mark. If you buy, say, Hampden Bond paper you get the same stock, no matter from whom you buy it.

Q. Who represents these foreign companies here?—A. Nobody that I know of.

Q. How were the purchases made?—A. The purchases were made in the usual way, orders were sent to the people from whom these goods could be bought.

Q. You mean letter orders were sent them?—A. Written orders.

Q. They were all written orders?—A. All written orders.

Q. Who was the arbitrator as to whether the brand was up to standard?—A. Of goods purchased here?

Q. Yes?—A. As a matter of fact, I do not think there was any standard established for these goods.

Q. Well, then, supposing that a certain brand of paper was ordered by your department, we will call it the John Smith brand or water mark, and the paper as supplied was not up to the standard, to the weight of five pounds to the quire?—A. To the ream.

Q. Supposing that it was shipped to the government and it only weighed four pounds to the ream; it was sold by the ream or by the pound, as the case might be?—A. Yes, by the ream.

Q. And not by the pound?—A. By the ream—pardon me; in some instances it was sold by the ream and in other instances it was sold by the pound.

Q. I am only asking as to the general practice. Supposing there was collusion between the chief purchasing officer of the department and the mill, he could order paper from that mill of a certain brand, and that mill could supply paper to the department that did not come up to the weight, is not that so?—A. No.

Q. Why?—A. Because it would be checked when it came into the stores.

Q. Who by?—A. By the man in charge of the store room.

Q. You just said a moment ago, and I do not want you to be prompted at all; you said a moment ago that the paper was sold by the ream?—A. In some instances.

Q. That is all I am asking you, with regard to the foreign paper that is the custom, I understand. Now, I said that if the manufacturer of the foreign paper wished to

defraud the government, the easiest way is to give light weight; be frank about it?—A. I am trying to be absolutely frank, at the same time I want to be fair.

Q. Have you such a thing as a sealed pattern of these papers in your department?—A. No. At the same time I want to be fair as well as frank, and I tell you I do not think it would be possible to defraud the government in that way. The man who had charge of this paper and who checked this stock was an old, experienced man, very careful, and I know him to be an absolutely honest man, and, as I said, a very careful man. I do not believe it would have been possible to have gotten by him in the way you indicate.

Q. Where was all this impropriety in relation to the foreign purchases?—A. I can't answer that question.

Q. You don't want to?—A. I didn't say I didn't want to.

Q. Are you prepared to bring down a list of these brands at the next meeting of the committee—a lists of the foreign brands of paper?—A. I can't do that.

Q. Have you such a thing as a sealed pattern of this paper in your department?—A. No, permit me to say I had nothing to do with these foreign purchases; I wasn't connected with them in any way, we had nothing to do with the matter. My immediate business was with regard to paper purchased under contract.

Q. In other words the man who had to do with this is gone away?—A. Yes.

Q. The only thing is this Committee would like to get at the bottom of this matter so that nothing like this can occur again.—A. I shall be very glad to give you any information I can.

Mr. MURPHY.—That has all been considered and attended to.

Mr. CURRIE.—Well, I know the Minister has gone into the matter pretty closely, but we want to go a little farther.

By Mr. Currie:

Q. Your department purchases the paper for all departments?—A. Yes.

Q. You purchase this paper and is it all sent to your department for distribution?—A. Yes.

Q. It is all sent here?—A. Yes.

Q. Supposing there is a blank form wanted for the post office department in Toronto is the blank paper for that purchased in Ottawa?—A. The order is given in Ottawa through the Post Office Department.

Q. And the paper is bought say in Toronto from the Barber Ellis Company, shipped down here to Ottawa and after you have passed it in your cellar it is shipped back to Toronto, is that it?—A. Not necessarily. The paper, as a matter of fact, on which the forms are printed is purchased direct from the manufacturers, it goes into our cellars in large quantities and is sent out as required.

Q. All the papers purchased for the various departments from Sydney to Vancouver is supposed to pass through your department, isn't that so?—A. Precisely.

Q. You do not purchase paper, for instance, delivered in Toronto or Vancouver?—A. No.

Q. What is the reason of that?—A. One reason for it is that each department of the service has its own forms, say the Customs Department will use the same forms throughout the entire service, a million forms, now they stock that million forms and they distribute them to the various offices.

Q. With regard to all these foreign brands of paper that you have been purchasing, can you get those brands in the department, is there a list of them there of all the brands that have been purchased?—A. I couldn't tell you that, I wouldn't want to promise and then not be able to do it.

Q. Well, you will let us know about it the next day?—A. Surely.

By Mr. Congdon:

Q. Is this list of paper companies and jobbers you were speaking of in your opinion, it has been in existence for some time, complete?—A. Yes.

Q. And it exhausts pretty well the whole list of paper makers and jobbers? Paper makers, jobbers, envelope manufacturers and wholesale stationers.

By Mr. Currie (Simcoe):

Q. Will you bring a copy of that too?—A. Sure.

By Mr. Congdon:

Q. With regard to departmental supplies that do not come under tender or contract are they not in very many instances furnished by the same person having a contract for similar supplies?—A. I do not know that I understand the question.

Q. Supposing you have a certain firm contracting for the supply of envelopes?—A. Yes.

Q. And requisitions come in for envelopes which are not covered by that contract?—A. Yes.

Q. But are approximately near it?—A. Yes.

Q. Is it not the custom to apply to the person or tenderer who has a contract for similar articles to supply those goods?—A. Always.

Q. That is always done?—A. Yes.

Q. Now that would be all included under this additional amount of \$200,000?—A. Yes.

Q. And would embrace a very considerable amount of that?—A. Yes.

Q. That would include envelopes and other supplies?—A. Certainly, the contractor is given the preference, of course.

By Mr. Currie:

Q. During the time that you have been in the Department have any new brands of linen paper, for instance, been adopted by the Department or purchased?—A. Have any new brands been adopted?

Q. Yes?—A. Yes, I think so.

Q. What were they?—A. There have been some brands purchased in the United States, I cannot specify them at this moment.

Q. The old brands have been changed to some extent?—A. To some extent, yes.

Q. You will give the Committee the benefit of these changes the next time you come?—A. As near as it is possible to do so.

Hon. Mr. MURPHY.—In linen.

By Mr. Currie (Simcoe):

Q. Linen or other water-marked paper that they use for ledgers and for the books of the Department?—A. We have made a number of changes in the handling of these papers. For instance, we are standardizing these papers. We have our own ledger papers, 1, 2 and 3, of different qualities, and we are endeavouring to use these for everything in order to prevent the ordering of different brands of paper.

Q. What water mark particularly do you standardize?—A. We do not have any water mark at all. We do not use any water mark now.

Q. So that any manufacturer can make the paper?—A. Yes.

Q. There is no trade-marking?—A. No.

Q. When you ask a manufacturer to make paper without a water mark or a trade mark, what do you specify?—A. What do we specify? It depends. If we want No. 1 ledge stock we will specify pure linen stock to test certain weights.

Q. How do you test for pure linen. Let the Committee understand all this?—
A. Our mechanical test is a strength test.

Q. It decides whether it is linen or not?—A. It decides the strength.

Q. That is the pull on a certain amount of paper placed on a machine which shows the strength of it?—A. Yes.

Q. What next?—A. We test for wearing qualities.

Q. How is that told?—A. We have a machine.

Q. A machine that twists it?—A. A machine that folds it—Shauffer's, a German machine.

Q. That is a machine for testing the wearing qualities?—A. Yes.

Q. What is the machine for the chemical quality; how do you test that?—A. We have no means of testing that.

Q. For instance, you want to know whether it is linen or wood pulp?—A. For wood pulp we apply the Phloroglucine test.

Q. That is a liquid test?—A. I was going to qualify that.

Q. How do you tell that the pure linen is not filled with a little sulphite pulp, for instance?—A. I cannot tell. I have no chemical means for telling whether it is pure linen or not.

Q. You cannot tell?—A. No.

Q. Have you any chemical method of finding that out?—A. No.

Q. The Department of Inland Revenue could ascertain that for you very easily?—
A. I am not in a position to say whether they could or not.

Q. So that if a manufacturer sold you what is called linen paper, pure linen paper, and it contained a one-third of filler you could not tell the difference?—A. What do you mean by 'filler'?

Q. If it was adulterated to the extent of one-third, you could not tell the difference?—A. You will understand that if it were adulterated to the extent of one-third it would not stand the strength test or the wearing test.

Q. Now, reverting back, when you commenced standardizing your linens; these linens are purchased outside. I understand: they are not home-made. When you say you are standardizing these linen papers, what would they be worth a pound?—A. We pay for No. 1 17½ cents.

Q. How much were these ordinary papers that go into the blue-books?—A. For the paper that goes into the parliamentary blue-books we pay \$4.29 per 100 pounds.

Q. Virtually 4 cents a pound. The other is 17 cents?—A. 17½ cents.

Q. You will bring a list of these brands?—A. I will be glad to.

By Mr. Blain:

Q. Would you say that the price paid by the government is a reasonable one?—
A. Absolutely so. As a matter of fact, in my judgment the price paid for other papers bought under tender is extremely low.

Q. How do you arrive at that? What knowledge have you? For example, how do the prices paid by the government compare with the prices paid by Hope & Sons?—

A. We buy much cheaper than Hope & Sons. We can buy the same class of paper.

Q. Because of the quantity?—A. We buy in very large quantities.

Q. What difference would there be between the government as a very large purchaser and another purchaser—a wholesale man purchasing say a quarter of the amount?—A. I cannot answer that question off-hand, but it would be an appreciable difference.

Q. 25 per cent?—A. No, not 25; I would say 10 per cent.

By Mr. Currie:

Q. Would it be that large?—A. I think so.

By Mr. Blain:

Q. Perhaps you could find out that percentage?—A. I would be glad, so far as possible, to make a comparison.

By Mr. Currie:

Q. You say a great quantity of this paper was purchased in the United States. I suppose you are aware that there is a combination or trust in all these papers?—A. Yes, I think so. I am aware that the American Writing-paper Company, for instance, is a combination embracing a great many firms and mills.

Q. Nearly all those expensive papers are now in a combination?—A. To a large extent, yes.

By Mr. Northrup:

Q. Can you give me any information as to the officials who could tell us about the typewriting purchases?—A. The typewriting purchases were all made by the Superintendent of Stationery.

Q. They are supposed to be made under requisition?—A. Yes.

Q. And the same with regard to these directories; they are all under requisition?—A. Yes.

By Mr. John Currie:

Q. I would ask if that man Gay, the man who checks the invoices, is coming?—A. Mr. Gay is not the man who checks the goods.

Q. Who checks the invoices?—A. Mr. Hughes. I do not think we can get him back to the Bureau. He is seriously ill.

Witness retired.

Committee adjourned.

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EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

THE PRINTING BUREAU

R.E. Cook p. 48

No. 3—JANUARY 20, 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S, MOST
EXCELLENT MAJESTY

1910

COMMITTEE ROOM, No. 32,

HOUSE OF COMMONS,

FRIDAY, January 20th, 1911.

The Select Standing Committee on Public Accounts met at eleven o'clock, a.m., the Chairman, Mr. A. B. Warburton, presiding.

The Committee resumed the consideration of certain payments to the Canada Law Book Company, Limited et al in connection with the Printing Bureau.

Mr. RODOLPHE BOUDREAU called, sworn and examined.

By Mr. Northrup:

Q. Mr. Patenaude when under examination the other day, Mr. Boudreau, said that he spoke to you in the spring, I think it was, of 1909—

Hon. Mr. MURPHY.—The summer.

A. It could not be in the spring of 1909.

Q. It was in the summer?—A. Well, I think it was towards the end of the summer.

Q. The summer of 1909, about the way matters were going in the Printing Bureau.—A. I think he gave me an intimation with regard to the carbon paper and ribbons.

Q. Give your version of what he said?—A. I met him, he is an old friend of mine, and he started to speak to me about the Bureau; he said he thought they were over stocked in ribbons and carbon paper. I asked him then if he had spoken to his superior officer in the department about it and he told me that he had spoken two or three times to his immediate chief, Mr. Gouldthrite.

By Mr. Carvell:

Q. Who had he spoken to?—A. Mr. Gouldthrite. I asked him what Mr. Gouldthrite told him and he replied that Mr. Gouldthrite had assured him the matter was all right, that he needn't worry about it and that he would explain to him more fully later on. Mr. Patenaude said that though the explanations had been to some extent satisfactory, still his conscience was not completely at rest and he asked me what I thought he should do. I then told him that in my opinion since he had called the attention of his immediate chief to the matter I could not see why he was called upon to go any further. At the same time I asked him if he thought Mr. Gouldthrite was honest and he replied that he had perfect confidence in Mr. Gouldthrite's honesty and that he did not suspect any graft there. I then told him that when an opportunity presented itself I would call the attention of the superior officer of the Department to the matter. I cannot tell you how long it was afterwards. I suppose it would be four or six weeks, I called the attention of the Secretary of State to the matter without mentioning to him the name of the party—

By Mr. Northrup:

Q. That is the party giving the information to you?—A. Yes.

Q. What was it you said to the Secretary of State?—A. I did not repeat everything that Mr. Patenaude had told me, I just called his attention to the fact that it was reported that the Printing Bureau was overstocked with carbon paper and type-writer ribbons.

Q. Did Mr. Patenaude tell you who was buying these carbon papers and type-writer ribbons?—A. He said it was Mr. Gouldthrite.

Q. So that he complained to you—his conscience compelled him to speak about this over-purchasing by Mr. Gouldthrite?—A. As I have just told you.

Q. And it was only to the man who he thought was doing wrong that he had complained?—A. Eh.

Q. So that it was only to the man who he thought was doing wrong in over-stocking that he made the complaint?—A. I do not see it in that light. He thought—what he told me was he thought they had too much.

Q. He thought Mr. Gouldthrite was buying too much?—A. Yes, and he said he had so informed Mr. Gouldthrite.

Q. That is what I am saying, that is that the only man whose attention he called to the matter was the man who he thought was doing wrong?—A. I did not say that; I do not know why I should be called upon to express an opinion upon that question I do not know what he had said to anybody else.

Q. I thought he told you you were the only one he had spoken to?—A. No, he did not say I was the only one, he said that he had spoken to his immediate chief.

Q. That is all you know about the matter?—A. That is all.

Q. You were not down at the Printing Bureau yourself to see about it?—A. No. Witness retired.

Mr. ROBERT E. COOK, called sworn and examined.

By Mr. Northrup:

Q. You were in the Printing Bureau, Mr. Cook, at the time of the investigation last summer?—A. Only for a matter of two or three days or thereabouts.

Q. Had you been in the Printing Bureau prior to that time?—A. I had, since the Bureau was first built.

Q. What position did you have in the Bureau up to the time immediately prior to the investigation last summer?—A. I have no official position, I was in charge of the lithographing room under the Superintendent of Printing.

Q. In looking over the blue book giving the report of the inquiry of last summer I notice that you and Mr. Mulvey apparently, had a difference of opinion about some return that was moved for in Parliament, is that correct?—A. Yes.

Q. Do you remember the facts of you and Mr. Mulvey having a difference about a certain return?—A. I do.

Q. I have a Return here and I will ask you if that is the Return referred to, of Wednesday, March 23rd, 1910:—(Reads).

Return to an Order of the House of Commons dated the 24th November, 1909, showing the total amounts paid by the Government in each year since 1896, for all printing, advertising and lithographing done outside of the Government Printing Bureau; the total amount so paid by each department of the Government for such purposes during each year; the names and addresses of each individual, firm or corporation to whom any such moneys have been paid, and the total amount paid to each such individual firm or corporation in each year since 1896, what portion of the said sums, if any, so paid since 1896 was expended after public advertisement, tender and contract, to whom such tenders were awarded, whether to the lowest tender in each case, what portion was expended otherwise than by public advertisement tender and contract, and to whom it was paid in each instance.

Ref. No. 30, Mover Mr. Armstrong, 22nd March, 1910.

Q. Is that the Return?—A. It is to the best of my knowledge.

Q. Now I have the Return here and I do not quite understand it, but I am going to ask you to take hold of the Return and show me what the point in dispute

was, between you and Mr. Mulvey (Document handed to witness)—A. It could only be in connection with one portion of this Return. This (indicating document) would come from the various departments.

Q. I do not know anything about that. I am merely inquiring—from what I read in the printed report there was a dispute between you and Mr. Mulvey, and I am desirous of finding out the facts; take whatever part of that report the dispute arose from and show me what that dispute was so that I may ascertain who was right.—A. I do not see that particular portion of the Return here.

Hon. Mr. MURPHY.—I do not think that is it.

A. It forms part of the answer to that question appertaining to the Bureau.

Mr. NORTHRUP.—Here is the heading, (Reads):—"Return to an Order of the House of Commons dated the 24th of November, 1909, &c."

Hon. Mr. MURPHY.—The Return to which you refer was a large tabulated statement.

A. Yes, that will be it.

By Mr. Northrup:

Q. Then I will send to Mr. Colwell's office and get it. While we are trying to get the papers perhaps you can tell us what the difference between you and Mr. Mulvey was.—A. The document that I first sent to the Under Secretary of State contained all the payments made as appearing in the Auditor General's Report. I submitted that to Mr. Mulvey and he took exception to the inclusion in that statement of the stock, the paper used. That was the main point, the inclusion of the paper supplied by the outside printing firms.

Q. Let us see if we can get that down in a shape that we can all understand. Mr. Mulvey objected to the inclusion of the cost of the paper as a part of the Return ordered by Parliament showing the cost of printing, is that it?—A. Yes.

Q. Now let us understand what kind of printing this would be that he objected to the cost of the paper being included; it was the printing of what, for example?—A. Reports, *Labour Gazette* and anything that was sent outside the Bureau for execution.

Q. For example the reports, *Labour Gazette*, maps and such things; and the House had asked for a Return showing the cost of this printing done outside the Bureau?

Hon. Mr. MURPHY.—Printing, advertising and lithographing.

Q. Printing, advertising and lithographing, and you in making up that Return put in as part of the cost of printing the cost of the paper?—A. Yes, in my opinion it formed a portion of the cost and I included it.

Q. And Mr. Mulvey insisted upon that being stricken out?—A. He did.

Q. Was it stricken out of the report that eventually came before the House?—A. I have never examined the report as submitted to the House, but as it left the office of Mr. Mulvey's possession it was stricken out.

Q. As it left your office the report did not show the cost of the paper?—A. No.

Q. Now, that return also asked about cases where tenders had been called for, did it not?—A. Yes, it did. I remember it now.

Q. Speaking of your own knowledge, do you remember how tenders are asked for, or whether paper was specifically mentioned in the tenders?—A. No. I don't recollect the question exactly.

Q. You don't remember about paper being mentioned?—A. Are you asking about the—

Q. I am asking about tenders that would have been asked for this very printing that was done.—A. If tenders were asked for the paper would not be separate from the printing; it would be asked for in a lump sum.

Q. The paper would not be separated from the printing in the tenders? Then the tender would come in offering to do the printing for a certain sum?—A. That would be the case.

Q. And that included the supplying of the paper by the tenderer?—A. That was the custom followed always in the case of the maps.

Q. Would that apply to the departmental reports and to the *Labour Gazette*?—A. We never had a case, or never submitted reports for tenders—never sent them out for tenders.

Q. I see, the reports were never sent out for tenders?—A. No, sir.

Q. Would this return, brought down to the House, include the price for printing the reports and the *Labour Gazette*?—A. It would.

Q. How was the price paid for the printing of reports and of the *Labour Gazette* fixed if you did not call for tenders?—A. There were the established rates of the Printing Bureau.

Q. You have your own fixed rates and those were paid?—A. They governed the work.

Q. Had you in the Printing Bureau a schedule such as a lawyer will have for a bill of costs, showing how the items were made up, for which you paid these people who did the work?—A. We had a schedule of rates, yes.

Q. Then, when you gave these orders to a printing company to print a report or the *Labour Gazette*, where you did not tender, who supplied the paper as a matter of fact?—A. As a general thing the printers outside supplied it.

Q. The printers outside supplied it? And the payment to those printers, in accordance with the schedule of rates that you spoke of, would include the cost of the paper?—A. Yes, there was a fixed rate for the paper.

Q. Then in making up your return you took the figures from the Auditor General's Report?—A. Yes.

Q. And the Auditor General's Report, as I take it, showed all the amounts paid these printing firms, including the cost of the paper?—A. It did.

Q. Showing what the country had paid for paper?—A. Yes.

Q. And as I understand, the report that Mr. Mulvey insisted on and had sent to the House of Commons, excluded the whole price of the paper?—A. It did.

Q. So that the return made to the House of Commons did not show the amount paid for printing?—A. As I understand it it did not.

Q. And the dispute between you and him was that you wanted this return to be correct, and he, according to your view, did not wish to include the cost of paper?

—A. My view was to make that report agree with the Auditor General's Report and cover the outside papers.

Q. And Mr. Mulvey wished the return to differ from the Auditor General's Report, is that correct?—A. Yes.

Q. And he had his way?—A. He did.

Hon. Mr. MURPHY.—That statement is not a fair way of putting it.

THE CHAIRMAN.—That is leading the witness.

Hon. Mr. MURPHY.—I don't want to object unnecessarily, but I submit that that is not a fair way of putting the question.

Mr. NORTHRUP.—Has the witness not already admitted that?

Hon. Mr. MURPHY.—I think your question was a leading one.

THE CHAIRMAN.—It was rather a suggestive one certainly (to the witness). You may repeat what you did say.

THE WITNESS.—It was my endeavour in making that report to make it agree with the Auditor General's Report showing the payments made to outside firms.

By Mr. Northrup:

Q. And what was Mr. Mulvey's contention with regard to the figures in the Auditor General's Report?—A. Mr. Mulvey said they didn't matter.

Q. And did he instruct you to prepare a return that agreed with the Auditor General's Report?—A. The first prepared return from the office agreed with the Auditor General's Report.

Q. And did the one that was eventually prepared agree with the Auditor General's Report?—A. It did not.

Q. Did you when you were in the Bureau notice anything yourself as to the amount of stock in hand of late years?—A. I did.

Q. When did you first notice too much stock, as you thought?—A. It was first brought to my attention by Mr. John Hughes, the head stock-keeper in the lower flat.

Q. Mr. John Hughes?—A. Hughes, yes, who spoke to me about the way things were piling up and asked me what I thought he had better do. I told him that he had better report the matter to the King's Printer.

Mr. CONGDON.—Is what this witness talked about to Mr. Hughes evidence?

By the Chairman:

Q. Where did you get your information?—A. From Mr. Hughes. He spoke to me about the matter.

Mr. CONGDON.—I submit, Mr. Chairman, that what this witness said to somebody else is not evidence.

Mr. NORTHRUP.—I think what Mr. Hughes said to him would be.

Mr. CONGDON.—Yes, but not what he said to Mr. Hughes.

Mr. NORTHRUP.—The point, as I understand it——

The WITNESS.—My attention was called to it, and I was a little more observant after that.

By Mr. Northrup:

Q. Mr. Hughes called your attention to it and then you observed it yourself?—A. I did.

Q. And what was the date of this?—A. Oh, it would be possibly the year before I was suspended. That was a year ago last July.

Q. July, 1909?—A. July, 1909.

Q. That was the first time then you noticed any over-stocking?—A. It was.

Q. Were you about the building so as to have the opportunity of noticing whether there was over-stocking prior to that?—A. Yes, occasionally I had business with Mr. Hughes in looking after the stock required on our orders.

Q. Would you say you were in a position to see the over-stocking if there had been any?—A. I was no authority on that until my attention was called to it.

Q. Would you have noticed it until your attention was called to it?—A. No.

Q. Then you say you noticed it?—A. Yes, he pointed out——

Q. Did you do anything yourself in consequence of noticing the over-stocking?—A. Well, I casually mentioned it to the King's Printer at that time, Mr. Parmelee.

Q. Do you remember what you said to him?—A. Well, the exact words I don't recall, but it was that Hughes had called my attention to it.

Q. Intimating to him that Hughes had called your attention to it?—A. Yes. Nothing further was mentioned; it was a casual conversation.

Q. Now, speaking of your own knowledge, was it any secret that there was over-stocking, or had you heard any remarks floating around?—A. Not at that time, no.

Q. Did you hear any remarks at any time?—A. Well, it was spoken of later on, yes.

Q. When was that?—A. In our lithographic room it was spoken of.

Q. About what date?—A. It would be possibly about six months later than when I first spoke to Mr. Hughes. The matter came up in connection with cheque paper required by our Department for outside orders.

Q. What was the date of that as near as you can give it?—A. Oh, it would be the fall of 1909 or thereabouts, somewhere about November or December.

Q. Do you know that any notification was given to the powers above at that time in consequence of that?—A. I do not.

Q. All you know is that it was talked of in your department at that time?—A. We could not secure the stock we required for filling our cheque orders. That was the cause of the paper question coming up at all.

Q. That was the cause of the paper question coming up?—A. It was under discussion on that account.

Q. This was about what time?—A. I think December of 1909.

Q. Why could you not get the paper that you required, what was the trouble?—A. It was not of the proper colour or the proper quality.

Q. Well, then, was there anything done by your department at that time?—A. I went to Mr. Gouldthrite and complained.

Q. And did you go to any one else?—A. No, Mr. Gouldthrite told me——

Q. We won't bother about what he said. Did you of your own knowledge know of anyone else going to complain?—A. No, I do not, except Mr. Hughes. I was told he complained.

Q. Where is Mr. Hughes now, can we get him here?—A. I have no idea.

Q. Was there any change in the system at the Printing Bureau, as far as you know, after Dr. Dawson left?—A. In what way?

Q. Were there any checks or any more freedom in connection with the purchasing, or anything of that kind? Was there anything that would secure better supervision?—A. No. The only change that I knew of was that I never was called to the King's Printer's office to go over our map accounts as I had been when the late King's Printer, Dr. Dawson was there.

Q. Of your own knowledge then, in Dr. Dawson's time, you were called to his office to go over the accounts of your branch with him?—A. Whenever he was signing cheques he had the accounts before him and he used to ask for explanations of various accounts so that he could understand them.

Q. Was that invariably the case before he signed the cheques?—A. Not invariably the case. He did not always call for me but if there was anything exceptional he always called for me.

Q. And that was the system followed under him. Has that system been followed since?—A. Not so far as our room is concerned.

Q. You cannot speak, I suppose, as to any other?—A. No, I would not care to.

Q. Would the change from the system Dr. Dawson observed to the system afterwards adopted have made any difference in the possibility of any employee in the Department doing wrong?—A. Well, I would not like to answer that.

Q. You cannot answer that?—A. I would not care to.

Q. During the time you were there, was it the custom of the Ministers or Deputies to go down to the Bureau and see how things were going at all?—A. No outside Deputy ever came there during my experience until after Mr. Mulvey's advent to the Under-Secretaryship. The Minister, the Hon. R. W. Scott, came once in a while, not very often. The present Minister I never saw in the office until the time of the examination.

Q. Then, as far as you know, the Printing Bureau was left under the King's Printer's management practically?—A. So far as I knew it was.

Q. You told us in your examination that the printing of pamphlets and reports was not let out by tender; what was the procedure as to doing this printing?—A. The work was given to outside firms usually chosen for their ability to execute it. The accounts were checked by the schedule of rates allowed by the Bureau.

Q. Was there any official who would select those outside firms for particular work, or how was that decided?—A. Well, as a general thing the King's Printer would see who was to get the work unless it was some very minor cases.

Q. The King's Printer would pick out any one he liked to give the work to?—A. I did not understand he picked it himself. I understood it was under advisement from the Minister.

Q. I see, and the work was given to somebody to do at the rates fixed by the Department. Do you know anything about the rates that were charged for printing. Have you any experience. Would you know anything about the rates?—A. What particular branch of printing? Ordinary printing?

Q. Ordinary printing?—A. Well, I had a little experience in that connection, being a practical printer.

Q. I have been told—it is a thing I know nothing of personally—I have been told that in the printing offices there are certain rates per em?—A. Yes, rate per thousand ems. It is a unit of measurement in type-setting.

Q. And the printer is paid so much for putting up so many thousand ems; is that it?—A. Yes.

Q. Now, in your Bureau I have been told there is an immense degree or reduplication, multiplication of the work, that would not be necessary to set up the same type over and over again. Is that the case?—A. I did not just catch the question.

Q. If a report, for example any of the reports, is once set up, would it the next time, would the next setting be the same? Take the post office printing and that sort of thing?—A. A great deal of that is carried over from year to year, is saved, kept standing, standing type.

Q. Take the postal guide?—A. The postal guide for instance is carried from year to year.

Q. There must be a great many forms used in the post office printing, are there not?—A. Yes.

Q. Take the Postal Guide as an illustration. The Civil Service list would be the same, would it not?—A. It was.

Q. To a great extent?—A. From year to year it would be kept standing.

Q. Now do you know what the practice was as to paying for this. Was it paid for every time as being a new work?—A. It was not in the Bureau.

Q. When?—A. Two years ago. They simply charged for the corrections, for the time spent in correcting, bringing the standing type up to date.

Q. How would you word that if you were sending out an order for printing this year to any paper. Is there any sort of wording as to providing that it should be kept standing?—A. It depended on the class of the work. It would be unusual to get ordinary work. Work that would be required from year to year, that would be asked to keep the type or to preserve the ribbons for future use that was set on the machine.

Q. And that was the practice, was it?—A. It only occurred once to my knowledge.

Q. What only occurred once?—A. Ordering the ribbons to be preserved.

Q. Well, it was not the practice to order them to be preserved?—A. We seldom had work sent out that would be of use for the next year.

Q. Would not the Postal Guide always be of use?—A. But it never was sent out.

Q. Would the Civil Service List be of use?—A. Yes.

Q. Was that sent out?—A. It was.

Q. Well, what was the practice in that. Was it ordered to be kept in type or the ribbons preserved?—A. The only time I sent it out I asked the monotype ribbons to be preserved for future use.

Q. When was that?—A. It would be about one year ago.

Q. Would that make a great saving, any difference?—A. It would make a big saving.

Q. As I said, I have been informed, and I want you to tell me if it is correct, that the Printing Bureau has been allowing printing offices full prices for work as if it were a new work, when as a matter of fact it was merely resetting what had already been paid for before. Is there any ground for that statement?—A. They paid so much per thousand ems according to the report as it was delivered.

Q. They paid so much per thousand ems for the report as it was delivered?—A. Actual measurement.

Q. You understand the working and I do not. Is that a perfectly proper and fair way of paying?—A. Well, I would in certain cases, I would ask for prices where the type is being used a second time.

Q. That is what I am trying to get. Give me illustrations?—A. You would have to ask for tenders in case of that kind.

Q. Give me an illustration of the kind of printing where type would be used a second time?—A. The Civil Service List you have spoken of. It would be used in English, corrected for the French.

Q. The names would be the same whether English or French?—A. They would.

Q. Just the months, years and dates would be changed?—A. The titles would be changed from English to French.

Q. The names would be all the same?—A. And the months.

Q. Is it the practice to pay for that as if it were all new?—A. If it was done in the Bureau we charged for the actual amount of correction.

Q. But when it was done outside?—A. It was paid for in full both for English and French.

Q. Is there anything else of that kind of printing? I was told something about post-office or railway forms, or something of that kind?—A. Not that I know of.

Q. Do you know of any reports or printing to which the same objection would apply, that full prices were allowed when only partial work had to be done?—A. No. Other reports would require to be reset unless any report with tabulated matter would be used over again.

Q. Can you recollect any reports of that kind and describe them to me?—A. Well, the Justice Report was done by one of the local offices. Portions of it only would be used from the English to the French, and I believe there was one other small report, but I do not recall the name of it.

Q. Would the Auditor-General's Report be printed in the Bureau itself?—A. That is done in the Bureau.

Q. Are the Trade and Navigation returns done in the Bureau?—A. The Trade and Navigation returns were never sent out to my knowledge. I do not remember it.

Q. Do you know anything about the checking of stock, when it was received, to your own knowledge only?—A. I know that all printed matter received by us was carefully checked.

Q. The supplies of carbon-paper?—A. I do not know the stationery.

By Mr. Middlebro:

Q. Do you know anything about the printing of the Supreme Court reports?—A. No, sir.

Q. That is not altogether in your department?—A. I have nothing to with it. I understand this was done outside of the Bureau entirely.

Q. It is now?—A. It has been.

Q. You know it was done before?—A. A number of years it was done in the Bureau, but of late years it has not been done.

Q. Had you anything to do with it in the Printing Bureau?—A. No, sir.

By Mr. Congdon:

Q. Mr. Cook, your chief knowledge in the Bureau would be confined to the lithographic room?—A. It would.

Q. And all you have been speaking to in respect to matters outside of that is largely a matter of hearsay?—A. No, personal business with the different branches.

Q. Did you have any supervision over anything outside of that?—A. I had not.

Q. Had you any intimate knowledge of how anything outside of that was done?—A. No.

Q. The lithographic room has been in operation how long?—A. Five or six years, seven years, possibly.

Q. Previous to that all work of that kind was given out, was it?—A. It was given out prior to that and after the room was established.

Q. The work of that kind has greatly increased in recent years, has it not?—A. Very much.

Q. Increased altogether beyond the capacity of the Printing Bureau as at present provided with lithographic facilities?—A. The Bureau has no lithographic facilities of any kind.

Q. But the demand for that class of work has outgrown altogether its capacity?—A. Yes.

Q. How long were you in the lithographic room?—A. From its establishment, six or seven years ago.

Q. Down to when?—A. 9th July last.

Q. That is 1910?—A. Yes.

Q. And you ceased your connection with the Bureau at that time?—A. I did.

Q. And all you have been speaking of in regard to Bureau matters was up to 9th July last?—A. Yes.

Q. With regard to this matter as to which you have given evidence, it was brought out before the Minister in that investigation, was it not?—A. I do not think it was touched at all.

Q. What was not touched?—A. Well, the statement concerning the Armstrong return was touched.

Q. That was gone into thoroughly before the Minister?—A. Certain questions were asked concerning it.

Q. And you made a statement regarding it?—A. I did.

Q. And Mr. Mulvey?—A. Yes.

Q. Now the difference of opinion that arose between you and Mr. Mulvey was whether the return was in compliance with the order?—A. That is the point.

Q. And Mr. Mulvey was of opinion that the return required the mere cost of printing?—A. The mere cost of printing included, as I understood it, everything purchased from the outside people.

Q. And as Mr. Mulvey understood it, it included merely the cost of printing?—A. Included the stock.

Q. If that return were desired to compare the cost of printing outside with the cost of printing in Bureau it would be proper to include the cost of paper, would it not?—A. You could not make a comparison.

Q. Why couldn't you make a comparison?—A. For the reason that it is given in lump.

Q. It is given in lump?—A. The return does not show the different portions, and to make a comparison you would have to analyse.

Q. And find the cost of the paper?—A. The cost of press work.

Q. And the cost of the paper to the party printing it and also the cost of the paper to the Bureau? If you did that it would be quite easy to get a comparison between the cost of the printing in the two places, would it not?—A. According to the system of the Bureau I would not say it would be easy.

Q. You could ascertain the cost of paper in the Bureau, couldn't you?—A. Yes.

Q. And you could ascertain the cost of printing outside?—A. Yes.

Q. There are some cases in which the Government furnishes the paper to the printers outside, are there not?—A. Yes.

Q. In these cases there is no difficulty?—A. No.

Q. In these cases how would you include the cost of paper in the cost of outside printing?—A. In that return you would not embody it at all.

Q. You would not embody it at all?—A. No.

Q. So in your Return there would be some cases in which the cost of the paper was included in the cost of printing, and some cases where it was not included, you merely took the Auditor General's Report and wanted to make your Return correspond with that?—A. I did.

Q. And not furnishing any means of comparing the cost of printing?—A. There was nothing in it that could be used for comparison.

Q. If you were asked the cost of printing a certain thing what would you give in reply?—I would include the cost of the paper.

Q. If you were simply asked what you would charge for printing a certain paper you would not include the cost of paper?—A. I would.

Q. And if you were asked for the cost of paper and printing you would do what?—A. I would give what I was asked for.

Q. Do you mean to say that the cost of the work of printing cannot be distinguished from the cost of the paper?—A. I do not say that.

Q. The cost of the printing can be given without the cost of the paper, can't it?—A. It can if it is asked that way.

Q. And no comparison could be made between outside printing and printing done at the Bureau without taking out the cost of the paper, could it?—A. Yes, it could.

Q. Not the cost price of the work of printing?—A. If you worded it in that way you would have to take out the cost of the paper, but if you asked the cost of the work of printing, the word 'printing' as the majority of printers understand it includes everything pertaining to the job.

Q. The cost of printing does not include the cost of paper?—A. If you ask me how much I would charge you to print a thousand copies of any document, I would include a charge for the paper, no doubt about that.

Q. If you furnished the paper, but if you did not furnish the paper you would not, and if you knew that I wanted to find out the cost of printing you would not take into consideration the cost of the paper, would you?—A. No, not in that case.

Q. Do you know in what proportion of this work included in this Return the paper was furnished by the Government? Can you give any idea?—A. No, I cannot do so.

Q. Can you point out any of the items which were changed under the instructions of Mr. Mulvey in this Return?—A. No, if Mr. Mulvey will give you the documents I gave to him they will show the corrections in the Return as I prepared it.

Q. All those corrections appear on the face of it?—A. They do.

Q. Well, look at that paper (handing document to witness)?—A. Mr. Mulvey got a correct copy, there were two statements of this kind, and whether this was the first or not I do not know (after examining document). This is not the statement that Mr. Mulvey made his corrections on.

Q. Look over it and see?—A. Yes, but Mr. Mulvey marked himself, each item as we went through it.

Q. Look at it and see, what paper is that?—A. There are no pen marks on that—oh, yes, here are some; this is the statement only giving the explanation of what the work was for, there is a statement that shows—

Q. Tell us what that is first, you have seen that paper before?—A. Yes, I have seen it, I prepared it.

Q. You took that paper to Mr. Mulvey, didn't you?—A. Yes, sir, I did.

Q. That identical return, and it shows what changes were made.—A. Not all of them, there were two returns.

Q. Let us deal with that one first, the changes are there, are they not?—A. The changes are not here, only explanatory notes of what the work was for. (Document filed) "Statement showing firms to whom lithographing, engraving, printing and binding work was sent during the years 1896-1897 to 1908-1909 inclusive; also division of same 'paper (approximately),' 'printing and binding,' which might have been executed in Printing Bureau and 'lithographing and loose leaf work' which includes engraving. Also tabulated statement showing growth of business in Printing Bureau since 1889, as well as present Bureau rates for outside work. Government Printing Bureau, February 17th, 1910."

Q. Now will you look at this Return (Statement with corrections handed to witness).—A. Yes, this shows the deductions from the first figures.

Q. That shows all the changes?—A. I think so.

Q. That is the final paper as it was returned to you revised, the revisions being shown?—A. I believe it is the one we were working on one Saturday afternoon.

Q. You were present when all these changes were discussed?—A. I was, they were made in the lithographing room of the Bureau, I believe.

Q. Will you look at this Return, Mr. Cook (copy of Return as finally corrected handed to witness)?—A. There was more than one copy of this, two copies were given to Mr. Mulvey and the King's Printer and one was retained in the lithographing room.

Q. What is that last document I gave to you?—A. That will be a duplicate of one of the others.

Q. The final Return?—A. This is the final as corrected by Mr. Mulvey.

Q. And that other one would be?—A. That is a duplicate of it uncorrected.

Q. It precedes the uncorrected one?—A. Yes.

Q. Will you look at this, Mr. Cook. ("Statement showing paper, binding and miscellaneous work in hands of the firms named during the years 1896-1909 inclusive, Government Printing Bureau, Ottawa, March 11th, 1910," handed to witness.) What is that?—A. From my recollection of it it is a reply to a statement asked for by the Under Secretary of State—I am now speaking offhand, but I recognize that it was prepared in our room and sent out in reply to some question that was asked, but I do not recall what the question was.

Q. And the Return was prepared by yourself?—A. It was sent to the Under Secretary of State for the Minister.

Q. Who prepared it?—A. It was prepared by myself.

Q. And that is true of the other reports I have handed to you?—A. By myself with the assistance, of course, of the clerks in the room.

Q. If the Return showed the cost of the paper and printing it would be proper?—A. I do not remember the question that this was prepared in reply to, I haven't it before me and I cannot say without seeing it.

Q. But at all events with regard to outside printing if the cost of paper and printing was asked for you would think that printing in that case would not include paper, wouldn't you?—A. It depends upon how the question read.

Q. But if you were asked the cost of the paper and of the printing you would not include the cost of the paper in the printing, would you?—A. No, I would not.

Q. You thought that you were satisfying the order for this return by merely going to the Auditor General's Report without consulting the records of your office, is that so?—A. I beg pardon?

Q. You thought you were satisfying the order for this return by merely taking the Auditor General's report and making a compilation from it?—A. I did. I may explain that I am not the accountant of the Bureau; I was asked by Mr. Parmelee as a favour to prepare that report; it did not belong to my room, the accountant should have prepared the report, I mentioned that fact to Mr. Mulvey at the time; I did it at the time under request from the King's Printer.

Q. I suppose it is part of your duty to do whatever you are requested to by the King's Printer?—A. Yes, but the complete documents were not on file in my room.

Q. But you had been in the accountant's office and you were familiar with the work in that office?—A. I was.

Q. It is evident that was the reason you were selected for that work, is it not?—A. There is no doubt of it.

Q. You know little or nothing about the over stocking?—A. No. I had no knowledge further than that I saw the stock was piling up in an unusual way.

Q. But even that would not give you an index as to whether it was excessive or not, I suppose?—A. My attention being called to it I naturally was a little more observant.

Q. But it was merely a casual observation?—A. That is all.

Q. You went into no inquiry as to the amount of overstocking?—A. No, it was not my business.

Q. You did not deem it your duty to make a report in regard to it?—A. Not at all—as you have asked the question I may say that I made a report.

Q. To whom?—A. To the King's Printer.

Q. In what way?—A. I was on business in Montreal, and in that connection I visited the firm of the Howard Smith Paper Company, and Mr. Howard Smith showed me a file of letters among which were letters from Bradstreets, Dun Wilmans, the *Paper Trade Journal* and he informed me that he had taken up the matter of Bureau contracts as he was not getting a fair share, and intimated that on the return of the Minister of Marine, who was then absent, being ill, it was his intention to come to Ottawa and interview the Secretary of State and ask for an investigation into Mr. Gouldthrite's purchases from the firm of G. W. Millar. He intimated that Miller was nothing but a wrapping paper jobber. On my return to Ottawa I immediately went to the King's Printer and reported to him what I had heard.

Q. When?—A. In April last.

Q. April the 10th?—A. Yes.

Q. That was the first and the only report you made in regard to that?—A. That was all.

Q. That was what you referred to when you told Mr. Northrup that you had casually mentioned the matter to the King's Printer?—A. No, I had spoken to the King's Printer after Hughes broached the matter to me. I wanted Hughes to keep a private memo. of the orders he sent to the office as he would some day be made a scapegoat for the over stocking.

Q. This was in the fall of 1909?—A. Yes.

Q. Do you know of anything else other than that you have told us?—A. No, I considered my duty was done when I reported the matter to Mr. Parmelee.

Q. And you say now that with regard to the practice of the office, so far as you are aware there was no change made after the retirement or resignation of Dr. Dawson?—A. No, the only change that I noticed was that the accounts did not go with the checks to the King's Printer, the usual bunch of accounts. The checks and the statements I noticed were sent to the King's Printer without the accounts, that is when I saw it, I do not say that was the case always, but it was whenever it came under my observation.

Q. In some instances that you know?—A. When I was there.

Q. You know of nothing wrong in connection with any of the maps in the lithographing room, do you?—A. I might mention, now that you have given me the opportunity, that the map question was a very wide one and I was not satisfied with the price we were receiving so I asked permission of Mr. Parmelee to employ Mr. Rowan, who outside of Printing Bureau hours, went to my house and went over the map accounts and advised me in that connection and he was paid by the Bureau, I remember for so doing.

Q. That was with a view of seeing whether the prices were proper?—A. Checking the prices. I took occasion very shortly after—

Q. About what time was this, Mr. Cook?—A. That would be some time I would say in the late September, or thereabouts, of 1909. I took occasion on the first visit of the Minister with the King's Printer, Mr. Parmelee, to call the Minister's attention to the trouble we were having in connection with the maps, the way the copy was supplied, and pointed out what my trouble was. He asked what could be done to remedy it and I replied that if the Department were forced to supply complete copy it would enable us to call for tenders for the maps. As the copy was coming in piecemeal it was an impossibility to do that.

Q. And the Minister took that up?—A. He promised to do so and he asked for a specific case. I took a map to him that was then in hand—the account for it was then in hand—a map of the city of Ottawa and vicinity. I think it was sheet No. 11 of the Topographical standard map. I showed him 26 different maps on the margin of which you could scarcely find space to write your name, and pointed out to him the difficulty of checking the cost of alterations and additions to that map, and that I believe is on record in the Department.

Q. And whose fault would that be, Mr. Cook?—A. It would be the fault of the department, the Chief Geographer in this particular case, because that is a branch of the Interior Department. It was for them the map was prepared.

Q. Is it usual in the case of maps to make changes?—A. Not to that extent.

Q. Some changes are unavoidable?—A. Some changes are necessary.

Q. Almost unavoidable?—A. Unavoidable.

Q. Do you think in this particular case it was excessive?—A. It was excessive, and I may say the Chief Geographer of the Interior Department reported me to the King's Printer for refusing to send out some of his maps that were sent out piecemeal.

Q. Was this at the Bureau?—A. This case I speak of transpired in the Minister's office in the presence of the King's Printer and the Minister.

Q. Is that what you mentioned in the investigation?—A. It was prior to the investigation.

Q. At the interview of which there is mention in the evidence taken at the investigation?—A. Well, I cannot recall that. It may be there.

Hon. Mr. MURPHY.—In April, 1909.

By Mr. Congdon:

Q. You were giving some evidence, Mr. Cook, of the proceeding as to printing. Were you speaking of your own knowledge as to matters outside of the lithographic room or confining yourself to that room?—A. For ten years I had charge of the charging of the work in the Bureau so that I speak with some degree of knowledge of the printing branch at least.

Q. You are speaking from a knowledge some years old?—A. Granted.

Q. You are not covering the period during which you were in the lithographing room except as to that room?—A. Except as to that room.

Q. Now with regard to changes in matter that is published each year, the cost of re-printing would depend very much on the number of changes, would it not?—A. It would.

Q. If you make changes in every line it is almost as cheap to re-print as to correct?—A. No, not in the case referred to. The matter is kept and the figures are simply corrected. Take advance matter, for instance in the Civil Service list. In the case of the Civil Service list, which is spoken of, it is simply a matter of increasing the salaries.

Q. And adding names, there being new names?—A. There being new names in the place of the names of persons that have died.

Q. In any case of that kind the cost of the changes would depend on their number, wouldn't it?—A. It would.

Q. And the frequency of changes makes it almost as expensive to change the matter as to reprint it?—A. Not at all.

Q. Not at all?—A. No.

Q. If you change every line do you mean to tell me it would be cheaper?—A. I can change one figure very much quicker and very much cheaper than I can re-set entire pages of tabular matter.

Q. It depends altogether upon the machine that is used, doesn't it?—A. You cannot change it on the linotype machine. It is monotype matter I speak of.

Q. Well, take the linotype?—A. Linotype matter? We never set tabular matter on the linotype.

Q. That is set on the monotype?—A. Exactly.

Q. But it can be set on the linotype?—A. It can be, but as a matter of economy it is not done.

Q. Well, in the monotype, how are the changes made?—A. From type in the case as a rule.

Q. Are they stereotyped?—A. No. The type is kept standing, parcelled and put away.

Q. How are the changes made in that type?—A. The same as for ordinary type-set matter, hand-set matter.

Q. How do you take out what you want to remove?—A. Exactly the same as you would from a page of type.

Q. It is merely setting type?—A. It is type, nothing more and nothing less.

Q. Changes in the monotype then are much more easily made than changes in the linotype?—A. Yes, the latter necessitates the re-setting of the entire line.

Q. Do you know anything as to the cost per thousand ems of this work?—A. Well, yes, a little.

Q. Do you know what was charged in the case you mention?—A. My recollection is that it was 60 cents per thousand ems.

Q. And what is the ordinary cost of printing?—A. About the same. Somewhat higher in commercial but on a job of that size you get a special price if the job is a large one.

Q. You are not speaking with certainty, are you?—A. The price varies.

Q. But as to this 60 cents per thousand ems?—A. That was allowed at the Bureau.

Q. Do you know that of your own knowledge?—A. I know it was allowed at the Bureau. That is the only rate charged since Mr. Murphy took office and it was changed by Mr. Murphy's specific instructions.

Q. In what way?—A. I will cite the case. The Clerk of the House gave out direct to a Quebec office the French on the Quebec Bridge Report. When the printers came to the Bureau for their money I proposed to allow them the regular tariff of 50 cents per thousand ems. They objected and said it was not high enough, but I told them that I had no power to make any alteration of these rates. They went to the Minister with—I don't know who the members were but they told me that they had some two or three members.

Q. You were not there?—A. I was not there but the Minister sent for me and asked me about the rate. I told him that I believed the rate should be increased to 60 cents and the minister increased it on my recommendation; 60 cents was a fair price. But that is the only change made in any of the rates since Mr. Murphy took office.

By Mr. Middlebro:

Q. With respect to allowing the 60 cents per thousand ems, did that include the cost of paper?—A. It does not include the cost of paper nor does it include the cost of press work or folding or binding.

Q. Where did the paper come from in that particular case?—A. That particular case? The outside printers supplied it.

Q. The outside printers supplied it?—A. Yes.

Q. And charged separately for it?—A. They charged separately for it. It formed one item of the account.

Q. Take this particular case: Suppose you were going down say to the city here and you went to a printing office and asked them the cost of printing 1,000 copies of certain typewritten article. When they gave the figure would that include the cost of paper?—A. It would.

Q. Is it the practice, in speaking of printing a certain article, to include the cost of the paper?—A. It is the custom.

Q. Take for instance some items in the Auditor General's report. I notice under the heading of Printing and Lithographing: 'Paid to the Stone, Ltd., \$73,828.' Does that include the cost of paper?—A. Invariably. We made a practice, particularly with the lithographic work, of compelling the printers to supply the paper.

Q. I notice in the report for last year that the sum of a million dollars has been spent under the heading of Advertising, Printing and Lithographing, and \$800,000 under the heading Printing and Lithographing alone. In that case do the separate items comprising that amount include the cost of paper?—A. Well, I would not care to say that without knowing what they were. There are cases where I may say the paper is supplied by the Bureau. But in other cases where the paper can be very easily obtained outside, the printer supplies it.

Q. So that when you were asked to give the cost of printing for the last year, or for the last fourteen years, do you consider you were doing the proper thing in including the cost of paper?—A. I certainly do.

Q. And if you had been asked from any other source would you have included it?—A. I would. I would include the paper as forming a part of the cost of that printing.

By Mr. Carvell:

Q. I want to get a little more information in regard to the cost of printing, that is the proportion of the cost of the composition to the completed work. Now, you stated that in some cases—and I think you illustrated the point by taking the Civil Service report—the matter would be left in type for execution on the monotype machine?—A. No. I asked in that particular case that the ribbon be preserved for future use.

Q. That amounts to the same thing. You can make new type from that ribbon?—A. Exactly.

Q. I have some knowledge of how it is worked out. Now you say that you allowed 60 cents per thousand ems. In ordinary composition—take for instance this report—what would be the percentage of the cost of composition as compared with the completed article?—A. The composition forms as a general thing, speaking roughly, 60 per cent of the cost. Sixty per cent of the bill would be for composition, but it depends on the matter. If it is tabular matter the proportion would be greater.

By Mr. Kyte:

Q. At what time did the Secretary of State commence his investigation into the conduct of the Printing Bureau?—A. About the beginning of July.

Q. What time was it completed?—A. Well, I don't know that. I was suspended a few days after the investigation commenced and I have never been back since.

Q. Were you suspended after you gave evidence at the investigation?—A. Within twenty-four hours or thereabouts.

Q. This question of the cost of lithographing was brought out in your evidence at the investigation was it not?—A. The cost of lithographing was never referred to.

Q. It was never referred to?—A. I don't think so.

Q. Do you say the question of the cost of lithographing itself was never referred to?—A. Never referred to.

Q. Was the printing that was done outside the Bureau gone into?—A. In one specific case.

Q. Will you recall what case it was?—A. The Gananoque *Reporter* job.

Q. Do you recall the case of the printing that was done by the Montreal *Herald*?—A. Anything that I recollect was years ago about the Montreal *Herald*.

Q. I beg your pardon?—A. I don't remember anything being asked about the Montreal *Herald*. It may have. I don't remember it.

Mr. CARVELL.—The King's Regulations.

The WITNESS.—The King's Regulations? Yes, the question was asked about the King's Regulations, that is true.

By Mr. Carvell:

Q. I want to follow up the cost of printing a little further. Do you mean to say that the composition would include 60 per cent of the total cost of the work including the paper or the total cost of the work itself?—A. Including the paper and all. It depends a good deal upon the nature of the composition. The printing, or rather the composition, press work and binding are charged under separate items and then there is also an item for the paper for which you can figure on 60 per cent or thereabout.

By Mr. Northrup:

Q. As that question of the King's Regulations has been brought up, you remember the questions asked you at the examination before the Minister?—A. Not exactly. I had forgotten the incident entirely.

Q. Do you remember that there was a book called the King's Regulations printed?—A. I recall the case now.

Q. Do you remember how the proof was sent in by the Militia Department?—A. The proofs were a disgrace to a Department, if I may say so. The book was edited on the proof.

Q. How would that affect the cost?—A. The cost was enhanced. It was almost doubled.

Q. What time of the year was it printed?—A. I do not just recollect the particular time. It was before the commencement of the Session. It was about the time that the annual reports were coming in.

Q. It was sent outside of the Bureau for printing, was it not?—A. It was.

Q. Was that because you were so busy in the Bureau?—A. The Bureau could not get it out in time.

Q. Are there times when you can print it in the Bureau?—A. Yes, but I would explain in that connection that this work was required in a hurry.

Q. How could anything in this country in connection with the Militia be required in a hurry? Please explain that? That is the most extraordinary statement I have ever heard. What I feel about it is that the Department should double the cost for anything that could not be in a hurry?—A. I may say that the King's Regulations were an exception to ordinary composition, and on that account tenders were invited for the work. I took the work but sent out and got prices, and the lowest tenderer got the work.

Q. Take a book like that printed by the *Herald* under tender. If you had been asked by the House to show the total amount paid for all printing in connection with that would you have included the paper?—A. I certainly would have done so.

Q. I have part of this return we asked for here and I see it is composed of tabulated statements, almost all advertising. There are a few pages of printing. I have one here, page 8, printing for 1899-1900, Montreal *Herald*, \$9,500. That is apparently apart from advertising. Would that include paper?

Hon. Mr. MURPHY.—What Department?

Mr. NORTHRUP.—Agriculture.

WITNESS.—That should not appear under Agriculture.

By Mr. Northrup:

Q. I have it here, printing for 1899-1900?—A. It must be work done, if reported, but it was the custom to send out agricultural work. I would have included the paper.

Q. Speaking from your own knowledge, what would be the frequency of time in which the Department would supply the paper for outside work? Was it a common or a rare event?—A. It was a rare occurrence.

Q. Speaking from your own knowledge, would the Auditor-General's Report show in the case of the *Montreal Herald* or any of them that paper had been supplied by the Department, or would it merely show the amount?—A. It would show the lump sum paid.

Q. Would it show what was paid for the paper?—A. Exactly. We had an extract. When Mr. Mulvey made the changes in the statement we produced the accounts.

Q. You took your figures from from the Auditor General's Report?—A. Exactly.

Q. Could there be any case in which you, taking your figures from the Auditor-General's Report, the amount paid for the paper shown by it, would be more than that paid by the department? It would show the exact amount?—A. It would show the exact amount.

By Mr. Congdon:

Q. All in this respect to the King's Regulations, that bad proof and the added cost was brought out in the investigation before Mr. Murphy?—A. They were referred to. I remember there were certain questions. I do not remember what they are now, but I believe they were asked.

Witness discharged. (RE *look*)

PAUL A. GAY, called, sworn and examined.

By Mr. Northrup:

Q. Are you an employee of the Printing Bureau?—A. Yes.

Q. What is your position?—A. Now I am helping the Superintendent of Stores and the general work of the office since about December 1.

Q. Last?—A. Yes.

Q. What was your position before that?—A. Before that I was under the Superintendent of Stationery. I used to examine the accounts and put the selling prices on and get them right.

Q. Examine the accounts and the prices?—A. And report to him.

Q. Who would order these goods of which you would examine the prices?—A. The Superintendent himself.

Q. And then you would examine the prices of the goods he had ordered?—A. Yes.

Q. What did you examine them for, to see if he was buying too much?—A. He used to tell me that if I thought he was buying too much to report to him. In every case if I thought he was buying too much I reported.

Q. Do you remember any case which you reported in which he cut down the price?—A. Many.

Q. In Canada or the States?—A. Both countries.

Q. How were those prices fixed that would come to you? Were the parties allowed to charge what they liked?—A. Sometimes they were contracts; other time they were catalogue prices.

Q. If they were contracts, you would have nothing to do with them?—A. I would see if the prices were the same tendered for.

Q. If the price was already fixed you had nothing to do except to see that the

price charged in the invoice was the price charged in the contract? You did not pretend to say the price was too high?—A. Oh, no.

Q. In the majority of cases I suppose the prices would be fixed by Mr. Gouldthrite before they came to you?—A. Some small things were ordered without any contract.

Q. But the great majority of prices would be fixed by Mr. Gouldthrite with the people he was buying from?—A. Not all.

Q. The large quantities?—A. Some large quantities were not fixed.

Q. Do you say it was the practice that large quantities of goods were ordered, for which no price was fixed at all?—A. I should think so.

Q. And then when the accounts came in you would look over them?—A. I referred them to him.

Q. He was the official judge?—A. He certified them.

Q. Did you notice any overstocking in his department?—A. That was not my duty. I had nothing to do with that. I knew he was buying quite a bit.

Q. When did you first notice he was buying, as you say, quite a bit?—A. Within the last year.

Q. The year before the inquiry?—A. During the year before the inquiry.

Q. That would be, roughly speaking, between the summer of 1909 and the summer of 1910?—A. Somewhere around there.

Q. Had you noticed any excessive buying before that?—A. No, not so much.

Q. The main overstocking was in this last year, between the summer of 1909 and the summer of 1910?—A. I should think so, yes.

Q. Did you ever speak to Gouldthrite about it?—A. It was not my business to speak. The stockkeeper was there.

Q. Who was there?—A. The stockkeeper.

Q. Did you ever speak to any person about it?—A. No.

Q. Did you know anything about the checks that were used as to goods coming in?—A. Checks?

Q. I mean to say, the goods that came in, were the goods that were ordered and requisitioned?—A. I checked the invoices sent to the stock-room and I had to see that the merchandise was ready to be sent out.

Q. You would see that when the requisition came in?—A. No, the invoice.

Q. The invoice from whom?—A. From the different dealers. Sometimes the merchandise goes straight out and sometimes stays in stock.

Q. You would see when it came in from the dealer that the amount corresponded with the invoice?—A. I would send the invoice to the packer, and he would certify that he had received the merchandise. I could see the signature for the receipt of the merchandise.

Q. You had personally then nothing to do with the receipt of the merchandise?—A. Nothing.

Q. Do you know what percentage of the goods ordered through your office were ordered under tender and what without any tender?—A. I could not say what percentage.

Q. Know nothing about it at all?—A. No; of course I know for instance that there are some very big items ordered by tender.

Q. But you cannot say the items—you cannot give us the details?—A. I cannot. Witness discharged.

By Mr. Congdon:

I notice one error in Mr. Hutchinson's evidence last week and I wish to ask him about it.

Mr. GEORGE S. HUTCHINSON, recalled.

By Mr. Congdon:

Q. At page 42 of the evidence before this committee at the last meeting, January 17, you were asked the following question:

'Did it ever occur to you that there were very large purchases being made in the United States?'

and your answer as recorded in the record was:

'I may say that towards the end of the last year or so I noticed we were not buying as many goods in Canada as were being bought in the United States. The only thing I handed was the goods bought under tender. We bought them all in Canada, but I noticed we were not buying quite so many in this country.'

Is that a correct statement of the facts?—A. No, that is an error. What I intended to say was that owing to the purchases in the United States we were not buying as many goods in Canada as heretofore.

Q. You were comparing the goods then bought in Canada with the goods formerly bought in Canada; you were not comparing the goods bought in Canada with the goods bought in the United States?—A. Oh, no.

Q. You gave also, Mr. Hutchinson, the price we were paying for the ordinary paper that goes into the blue books, the reports and parliamentary blue books as \$4.29 per hundred pounds?—A. I said \$4.29 per hundred pounds, but that is absolutely an error, what we do pay is \$3.74 and $\frac{7}{10}$ cents per hundred pounds.

Q. You did not know that you would be asked in regard to that until you were on the stand and you had no opportunity previously of looking it up?—A. No.

By Mr. Middlebro.

Q. Do you know anything about the printing of the Supreme Court Reports?—A. No, I have no knowledge of the printing operations of the Bureau at all.

Q. What position do you occupy?—A. I have charge of the contracts of the stationery branch of the Printing Bureau.

Q. Do you know whether the Supreme Court Reports were formerly printed by that department?—A. I know nothing at all about it.

Q. Do you know anything about the Exchequer Court Reports?—A. I don't know anything about it.

Q. Did you ever hear anything about complaints that the reports were not being printed in time before?—A. No, I have nothing to do with them.

Witness dismissed.

By Mr. McKenzie:

Q. When that investigation was held before the Minister did you give evidence?—A. I did.

Q. Were you examined as to the general conduct of the business of the office as you have been here?—A. No.

Q. What was the nature of your evidence before the Minister?—A. I think, as nearly as I can recollect, my examination before the Minister was with reference to the disappearance of Mr. Gouldthrite, the late Superintendent of Stationery.

Q. Was your evidence entirely confined to the question of the disappearance of Mr. Gouldthrite?—A. My recollection of it is that is was, yes; I haven't read it.

Q. Were you present throughout the whole of the investigation so that you would know what was going on?—A. No, I was present only during the time I was giving my own evidence.

Q. You were only present while giving evidence?—A. Yes.

Witness discharged.

Mr. THOMAS MULVEY, Under Secretary of State called.

By Mr. Northrup:

Q. Perhaps Mr. Mulvey can explain with reference to this file of which one part has disappeared, and the other comes in under the Return to Mr. Armstrong's motion, but it goes away back to 89, 90 and 91, apparently in reply to an order for a return asked for by Mr. McMillan?—A. There were two returns upon the subject, one for

a return of the printing, lithographing and advertising from 1896 down to the time of the return and another asked for by Mr. McMillan prior to that time. Now the printing and lithographing could only be given by the Bureau, and the advertising could only be given by the other departments; the Bureau checks the advertising but it does not pay for it, so that what you have there is a statement furnished by the various departments of the advertising for which they paid. That portion of the return was brought down on the 23rd of March, I think, but at that time I was still going over the Bureau return for the purpose of having it accord with what was thought the order asked for. My recollection of it now is that that return was not made until about the last days of the session, but I cannot at the present time tell when it was made.

Q. And when this return of the 23rd of March was brought down the other was not ready?—A. The other was not ready.

Q. And the two were put together, Mr. Armstrong's return and Mr. McMillan's return?—A. Yes, they were put together, there were two returns received. Do you want this statement from me respecting the return that Mr. Cook was discussing?

Q. We want to get at the facts if you want to give them.

The CHAIRMAN.—The witness has not been sworn, if you are going to examine him he had better be sworn.

(Witness sworn).

By Mr. Northrup:

Q. Now, give us the facts?—A. A part of my duties as Under Secretary of State is to ask the different departments to make returns as they are ordered by the House, then when each department makes them they are collected in the office of the Secretary of State and submitted to the House. When this particular return was asked for it was sent by Mr. Parmelee in the ordinary way in answer to the order of the House, I think in the month of January. In looking it over I saw that on the face of it there were a lot of things contained in the return that were not asked for; the return asked for the printing, advertising and lithographing. A casual inspection of the return showed that, for instance, express charges, freight charges and custom duties that were paid by the department were included.

By Mr. Murphy:

Q. Telegraph tolls even?—A. Yes, telegraph tolls.

By Mr. Northrup:

Q. In connection with printing and lithographing?—A. No, not in connection with printing at all. What Mr. Cook did was to take payments of all kinds which were made to people outside the Bureau, which was not what was asked for at all. What I did was to call the minister's attention to that fact and I was directed to see Mr. Parmelee and have the return put in proper shape. I reported the matter to Mr. Parmelee and he sent Mr. Cook to me; we discussed it and I endeavoured to have all these matters that were not asked for in the order cut out. There are items there for binding which was not asked for at all, the order was with reference to printing, advertising and lithographing. There are various other items included in the statement prepared by Mr. Cook, such as repairs to plant and machinery, and dies. With respect to the question of including the cost of paper upon which so much time has been taken, that is a matter of no significance, I do not think there are more than three or four items where the prices of the paper was cut out, and the amount is shown in the report, but I cannot recall it just now; however, the copy of the return will show on the face of it exactly how much was cut out on that account. According to my view the cost of the printing was asked for and that is what I endeavoured to have the return show exactly. As prepared by Mr. Cook the return did not give the information asked for.

Q. Leaving out the other item and coming down to the paper there were some cases in which the payments had been made by the Bureau to printing offices outside?—A. Yes.

Q. For printing work done?—A. Oh, yes.

Q. And the Auditor-General's Report showed the amount paid?—A. Oh, yes, quite so.

Q. And the amount paid included the paper which had been used?—A. It may or may not. If the outside printer supplied it it probably would.

Q. Did you subtract that?—A. My recollection is we took the accounts and cut out the cost of the paper and showed the balance which would be for printing.

Q. That is to say when the order of the House asked for a return showing the total amount paid by the government for all printing, advertising and lithographing done outside of the Government Printing Bureau, although you had paid a certain amount to outside offices who had done the printing you subtract the cost of the paper from the payment shown in the Auditor General's Report?—A. Yes.

Q. And so this return which was brought down to the House will be less than the payments in the Auditor General's Report by the cost of the paper?—A. Exactly so.

Q. You thought it was a fair answer to the order of the House?—A. I thought it was what Mr. Armstrong asked for, it was not a question of fairness at all, but of having the return comply with what Mr. Armstrong asked for. Whether his words represented exactly what he thought he was asking for or wanted to get, I do not know. I conceived it to be my duty to have the return show what he asked for.

Q. The return also asked about amounts paid for lithographing. Did you also deduct from the Auditor General's Report the amounts that were paid for lithographing and for the material on which the lithographing is done?—A. I think that in all cases the lithographing paper is supplied by the printer. I cannot answer that question more completely.

Q. I suppose if it is it should not go in?—A. Of course it should not. That was my view of the matter, and it is my view still.

Q. Then the return would not show the cost to the country of the lithographing? It would not show all moneys paid for lithographing.—A. I do not think the return as to the cost to the country gives anything more than what is set out in the order for the return. That order did not ask for the cost to the country of paper.

Q. Excuse me, what the return asked for was the total amount paid by the government in each year since 1896 for printing, advertising and lithographing done outside the Government Printing Bureau—the total amount paid for all printing, advertising and lithographing. Therefore, if you paid money to newspaper offices, and some to lithographic firms, and then bought your lithographic paper and deducted that, you were not showing all the cost of lithographing?—A. That is just a question of opinion. I am telling you what I intended the return should show. You have a different opinion upon the point, and of course you are entitled to your opinion. I am simply telling you exactly what I tried to do.

Q. And what I am asking you is that when you had the return drawn up would it show all the amounts paid for lithographing? It does not show all the amounts that were paid by the government for lithographing or to whom those accounts were paid?—A. It is a question of what you mean by lithographing.

Q. It is not a question of what I mean. The return asked for all accounts paid by the government in each year since 1896 for lithographing. Do you think that return is complete if it does not show the amounts paid for paper?—A. Yes, I should think so and that is the view I took in preparing the return.

Q. The return asks for all amounts paid since the year 1896 for printing. Do you think that the order of the House for that return was complied with when you do not show in that return the amount paid for paper?—A. I think paper and printing are different things, that is all. Paper was not asked for and printing was.

Q. I suppose you would feel perfectly justified in deducting the amount a news-

paper would have to charge in its bill for the rent of its premises and the expenses of the office staff? That would not be cost of printing?—A. It is what they charge for printing.

Q. Then they charge for paper. If you do not deduct one why deduct the other?—A. Because I have a very different opinion.

Q. The principle is the same?—A. I do not agree with you; I follow my own judgment on the subject.

By Mr. Middlebro:

Q. The Auditor General's Report is misleading if in your return you give the cost of printing and deduct what has been paid for paper?—A. I do not know what the Auditor General's Report states.

Q. If the Auditor General's Report states under the heading of printing that so much was paid and it does not include the cost of paper, that is not an accurate account?—A. I would not undertake to pass an opinion on the subject.

Q. You have passed an opinion on other questions; now give us an opinion on this. It is misleading, isn't it?—A. Well, repeat your question.

Q. Suppose the Auditor General's Report says that certain printing cost \$10,000?—A. Yes.

Q. You have that printing done outside and the cost includes the cost of the paper it is printed on. We ask you for a return as to the cost of the printing and you send a statement in showing the cost to be \$9,000, having deducted \$1,000 for paper. Is the Auditor General's Report in that case right?—A. Well, I have no further opinion to express on the subject other than the opinion I have already expressed, and which you can apply in any way you like. I will say that in my judgment I was giving a proper return.

Q. According to the opinion you have expressed, if the Auditor General's Report includes the cost of the paper the matter is printed on it is not correct?—A. I would not undertake to say whether it is correct or not.

Q. But according to the opinion you have expressed the report is not correct?—A. You can apply my opinion as well as I can.

By Mr. Northrup:

Q. Let there be no misunderstanding. I ask you now, on your oath, Mr. Mulvey, if you believe that you fairly complied with the order of the House of Commons when it asked for a return showing the total amounts paid by the government in each year since 1896 for all printing, advertising and lithographing done outside the Government Printing Bureau? Do you or do you not think that in the return you made to the House you sent in a true statement?—A. I do, yes.

Q. If you did not include the paper on which the lithographing was done?—A. Yes, exactly.

Q. I am afraid we cannot place much reliance on the returns of your department.—A. You are entitled to that opinion if you wish, but I am entitled to my judgment also.

By Mr. Congdon:

Q. In getting accounts from the different firms who do printing for the government, in what form would the accounts appear usually?—A. I can only speak from a general way of knowing the practice down at the Bureau. Their practice is to pay according to a certain schedule of prices. There is a certain rate for composition, a certain rate for presswork, a certain rate for binding and so on. These are all extended and itemized, and the paper, if they supply the paper themselves, is also charged under a separate item. That is the way the accounts are made up.

Witness discharged.

Committee adjourned.



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